

6. *Plan Support Agreement* dated as of May 13, 2013 among the County, on the one hand, and Bayerische Landesbank Girozentrale, JPMorgan Chase Bank, N.A., and Wells Fargo Bank, National Association, on the other hand [County's Exhibit No. **C.360**].
7. *Plan Support Agreement* dated as of July 24, 2013 between the County, on the one hand, and Lehman Brothers Special Financing Inc., on the other hand [County's Exhibit No. **C.361**].
8. *Plan Support Agreement* dated as of February 11, 2013 between the County, on the one hand, and Depfa Bank PLC, on the other hand [County's Exhibit No. **C.362**].
9. *Supplement to Plan Support Agreement* dated as of November 6, 2013 among the County, JPMorgan Chase Bank, N.A. and each affiliate of JPMorgan beneficially owning Sewer Warrants [County's Exhibit No. **C.363**].
10. *Supplement to Plan Support Agreement* dated as of November 6, 2013 among County, on the one hand, and The Bank of Nova Scotia, The Bank of New York Mellon, and State Street Bank and Trust Company, on the other hand [County's Exhibit No. **C.364**].
11. *Supplement to Plan Support Agreement* dated as of November 6, 2013 among the County, on the one hand, and Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc.; Financial Guaranty Insurance Company, and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc., on the other hand [County's Exhibit No. **C.365**].
12. *Supplement to Plan Support Agreement* dated as November 6, 2013 among (i) the County; (ii) the "Supporting Warrantholders" party thereto; and (iii) JPMorgan Chase Bank, N.A. [County's Exhibit No. **C.366**].
13. The County's *Request for Proposals for Underwriting Services* dated June 28, 2013 [County's Exhibit No. **C.367**].
14. The County's *Request for Qualifications for Financial Advisory Services* dated July 10, 2013 [County's Exhibit No. **C.368**].
15. The County's *Request for Qualifications for Trustee, Registrar and Paying Agent Services* dated August 23, 2013 [County's Exhibit No. **C.369**].
16. Certified copy¹ of the *June 4, 2013 Resolution of the Jefferson County Commission* regarding the Plan Support Agreements, recorded at Minute Book: 165 – Page: 91 Official Minutes and Records of said County Commission [County's Exhibit No. **C.370**].
17. Certified copy of the *June 27, 2013 Resolution of the Jefferson County Commission* approving the Plan and other Plan Support Agreements, recorded at Minute Book: 165 – Pages: 162–63 Official Minutes and Records of said County Commission [County's Exhibit No. **C.371**].

¹ Upon request, the County will bring hard copies of the certified Resolutions to the Confirmation Hearing.

18. Certified copy of the *July 23, 2013 Resolution of the Jefferson County Commission* approving the Amended Financing Plan, recorded at Minute Book: 165 – Pages: 200–01 Official Minutes and Records of said County Commission [County’s Exhibit No. **C.372**].
19. Certified copy of the *September 23, 2013 Resolution of the Jefferson County Commission* adjusting sewer rates and amending the Sewer Rate Charge Ordinance, recorded at Minute Book: 165 – Pages: 330–44 Official Minutes and Records of said County Commission [County’s Exhibit No. **C.373**].
20. Certified copy of the *October 31, 2013 Resolution of the Jefferson County Commission* approving the Further Amended Financing Plan, recorded at Minute Book: 165 – Pages: 450–51 Official Minutes and Records of said County Commission [County’s Exhibit No. **C.374**].
21. Demonstrative copy of the *September 23, 2013 Resolution of the Jefferson County Commission* adjusting sewer rates and amending the Sewer Rate Charge Ordinance [County’s Exhibit No. **C.375**].
22. Demonstrative copy of the *County’s Sewer Rate Charge Ordinance, adopted November 6, 2012 as amended and restated by Resolution dated September 23, 2013 and effective November 1, 2013* [County’s Exhibit No. **C.376**].
23. Demonstrative copy of the *October 31, 2013 Resolution of the Jefferson County Commission* approving the Further Amended Financing Plan [County’s Exhibit No. **C.377**].
24. *Notice of Public Hearing* published on November 10, 2013 in the Birmingham News [County’s Exhibit No. **C.378**].
25. Demonstrative copy of *Notice of Public Hearing* published on November 10, 2013 in the Birmingham News [County’s Exhibit No. **C.379**].

Respectfully submitted this 15th day of November, 2013.

/s/ James B. Bailey

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@babc.com, jbailey@babc.com

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**", dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the "**County**"), on the one hand, and JPMorgan Chase Bank, N.A. ("**JPMorgan**") and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory hereto (together with JPMorgan, the "**JPM Parties**"), on the other hand. Each of the JPM Parties and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, JPMorgan and the Trustee, on behalf of the JPM Parties and other beneficial holders of the Sewer Warrants, have filed claims in the Bankruptcy Case against the County asserting rights to be paid, among other things, various amounts on account of principal and interest arising from or in connection with the Standby Agreements and the Indenture in respect of the Sewer Warrants held by the JPM Parties (collectively, the "**JPMorgan Sewer Warrant Claims**");

WHEREAS, the County disputes the JPM Parties' entitlements with respect to certain of the JPMorgan Sewer Warrant Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the JPM Parties dispute the County's contentions;

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of all sewer system and Sewer Warrant related disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Supporting Warrantholder PSA") with JPMorgan and with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders");

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Sewer Warrant Insurer PSA") with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. ("Assured"), Financial Guaranty Insurance Company ("FGIC"), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. ("Syncora"), each of which is referred to as a "Sewer Warrant Insurer" and collectively with the JPM Parties and the Supporting Warrantholders are the "Plan Support Parties";

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an "Acceptable Plan") and to meet the deadlines set forth in Section 7.1(q) hereof. The

County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing JPMorgan (the “JPMorgan Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The JPMorgan Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) The JPM Parties shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all JPMorgan Sewer Warrant Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; and (iii) provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan of all claims arising under or in connection with all JPMorgan Sewer Warrant Claims. For the avoidance of doubt, such releases shall not release any rights of the JPM Parties under an Acceptable Plan.

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the JPM

Parties or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) JPMorgan shall have the right to approve the provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the JPM Parties prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the Confirmation Order, (ii) the Disclosure Statement and the order or orders approving the Disclosure Statement and the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the ballots or such other documents that contain the Commutation Election, (iii) the Confirmation Order, (iv) the Stipulated Order (as defined below), (v) all other Acceptable Plan and closing documentation, and (vi) any other document which is subject to approval by JPMorgan pursuant to the Plan Term Sheet.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the proceeding pending before the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) styled *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”), except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and

a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order), the JPM Parties providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the JPM Parties to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the JPM Parties, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of the JPM Parties) expose the JPM Parties to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The JPM Parties shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date, at which time all pending Litigation against the JPM Parties will, pursuant to an Acceptable Plan, be dismissed with prejudice or (y) termination of this Agreement in accordance with Section 7.

(d) So long as none of this Agreement, the Supporting Warrantholder PSA, or the Sewer Warrant Insurer PSA has been terminated, the JPM Parties shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the JPM Parties’ Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of the JPM Parties to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and JPMorgan (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee*

v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama), Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(y) of the Agreement, after which the Parties’ rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Representations and Covenants Regarding Claims.

(a) JPMorgan represents that the JPM Parties own the Sewer Warrants set forth on Schedule 1 hereto, and retain all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. For the avoidance of doubt, all references in this Agreement to the JPM Parties and the JPMorgan Sewer Warrant Claims shall relate to the JPM Parties in their capacity as the beneficial owners of the Sewer Warrants set forth on Schedule 1 hereto, and shall not include any such JPM Party or JPMorgan Sewer Warrant Claims to the extent of any Sewer Warrants not included on Schedule 1 that may be held by a JPM Party in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders. JPMorgan represents that as of the date of this Agreement, the JPM Parties have not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of their respective right, title, or interest in any Sewer Warrants that is inconsistent with, or in violation of, the representations and warranties of JPMorgan herein, in violation of the obligations of the JPM Parties under this Agreement, or that would adversely affect in any way the performance of their obligations under this Agreement at the time such obligations are required to be performed.

(b) JPMorgan covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement, the JPM Parties will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of the JPMorgan Sewer Warrant Claims, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”) other than any Transfer between one JPM Party and another JPM Party. Other than any Transfer between one JPM Party and another JPM Party, any attempt to Transfer any JPMorgan Sewer Warrant Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Unless the County and JPMorgan otherwise agree, other than any

Transfer between one JPM Party and another JPM Party, the JPM Parties shall not acquire any additional Sewer Warrants.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the Sewer Warrant Insurer PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit B** and **Exhibit C**.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the JPM Parties and the other Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to JPMorgan of any termination of, amendment to, or written notice of potential termination of the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(q)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(q)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to JPMorgan;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

(b) In connection with the agreement of the JPM Parties to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, each of the JPM Parties shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

Section 7. Termination & Default.

7.1 Events of Termination & Default.

(a) The County and the JPM Parties may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If either the County or JPMorgan provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the County and JPMorgan in writing (the "Standstill Date"), then JPMorgan or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) JPMorgan or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then JPMorgan or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any of the JPM Parties materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County, then, subject to the JPM Parties' rights under Section 7.2(a), the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If JPMorgan materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then, subject to JPMorgan's rights under Section 7.2(a), the County may terminate this Agreement by giving a

second written notice to each other Party within twenty (20) calendar days of the first written notice.

(k) If the County materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan, and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(m) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the JPM Parties under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from JPMorgan, then JPMorgan, but only if such action adversely affects a right, obligation, or interest of the JPM Parties, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(n) If any of the JPM Parties files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(o) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the JPMorgan Sewer Warrant Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the JPM Parties (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(p) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then either the County or JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(q) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement by August 30, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

then, in each case, JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If the Supporting Warrantholder PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If the GO PSA shall have been terminated by (i) either the County or JPMorgan, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter; or (ii) any other party to the GO PSA, then either the County or JPMorgan may terminate this Agreement by giving ten (10) calendar days written notice to each other Party after any such termination of the GO PSA by such other party.

(u) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date,

then either the County or JPMorgan may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(v) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and JPMorgan, then either the County or JPMorgan may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(w) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(x) If the County amends the Financing Plan in any material respect without the written approval of JPMorgan and does not rescind such amendment or obtain the written approval of JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from JPMorgan (which written notice must be provided by JPMorgan within seven (7) calendar days after the County provides the notice required by Section 4(d)), then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(y) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (y) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(o), and (u), (v), and (x), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(o), (v), and (x), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.13; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(y)), any and all ballots with respect to an Acceptable Plan delivered by the JPM Parties prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(y), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict the JPM Parties or their respective officers or representatives from engaging in discussions with or among any or all of: the County, any Supporting Warrantholder, any Sewer Warrant Insurer,

any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the JPM Parties. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.12 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Supporting Warrantholder PSA and the GO PSA, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject

matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and the JPM Parties.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to the JPM Parties:

JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.12.

8.13 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.14, 8.15, 8.16, and this Section 8.13 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.14 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., and E. of the Plan Term Sheet, parts C., D., and E. of the Plan Term Sheet shall control.

8.15 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

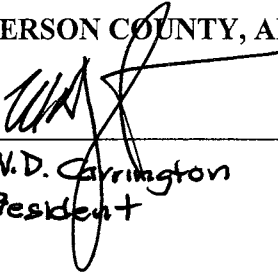
8.16 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



By: W.D. Carrington
Its: Resident

JPMORGAN CHASE BANK, N.A.

By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.

By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC

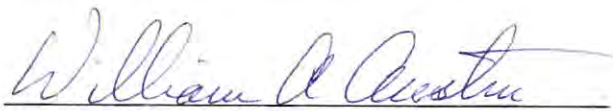
By: William A. Austin
Its: Authorized Signatory

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

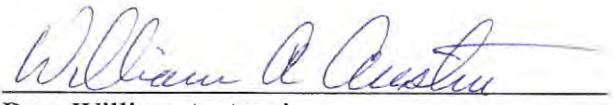
By:
Its:

JPMORGAN CHASE BANK, N.A.



By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.



By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC



By: William A. Austin
Its: Authorized Signatory

Schedule 1

Sewer Warrants Owned By the JPM Parties

Sewer Warrants¹

Series 2002-C 1 and 5:	\$ 200,750,000
Series 2002-C 2:	\$ 47,711,810
Series 2003-B 1:	\$ 495,455,000
Series 2003-C 1-5:	\$ 373,500,000
Series 2003-C 9-10:	\$ 103,950,000
Total:	\$1,221,366,810 ²

¹ Principal amount of Sewer Warrants; amounts exclude (i) prepetition default interest and fees (Series 2002-C 2) to be waived on the Effective Date, (ii) accrued and unpaid non-default interest on all Series to be paid on the Effective Date from Accumulated Revenues, (iii) regularly scheduled principal amortization (Series 2003-B 1) to be paid on the Effective Date from Accumulated Revenues, and (iv) swap claims of JPMorgan affiliate to be waived on the Effective Date.

² Total Adjusted Principal Amount estimated to be \$1,218,000,000.

Exhibit A

Plan Term Sheet

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Any transaction is entirely contingent upon the negotiation and execution of definitive documentation, including a chapter 9 plan of adjustment, and satisfaction or waiver of all conditions contained in the definitive documentation, including confirmation of the plan and occurrence of its effective date. This document is not a solicitation or a vote for any proposed plan or a definitive term sheet, but rather memorializes a broad agreement in principle between Jefferson County, Alabama (the "County") and JPMorgan Chase Bank, N. A. (together with any of its affiliates holding sewer system related claims, "JPMorgan") while providing a basis for further discussion regarding the specific details of a plan and related transactions, which details remain subject to further review, comment, and final approval by the County and JPMorgan. Capitalized terms used in this document (that are not otherwise defined herein) are defined in Exhibit A.

A. Conceptual Overview

This document is structured around the following broad concepts:

Through the Plan, the County will achieve more than \$1.3 billion of sewer warrant creditor concessions (the largest of which will be made by JPMorgan), which concessions will substantially reduce the amount of the County's sewer warrant indebtedness (approximately \$3.2 billion of principal and interest as of the County's chapter 9 filing), and the County will issue New Sewer Warrants in an amount sufficient to make distributions to sewer warrant creditors of approximately \$1.835 billion pursuant to the Plan. This document sets forth the treatment that will be provided in the Plan for the sewer related claims affecting JPMorgan, including the concessions by, and the settlement of litigation and release of claims against, JPMorgan, which treatment is only one important component of what would be required for a consensual plan. Any consensual plan, and the agreement in principle between the County and JPMorgan summarized herein, is predicated on the County also reaching satisfactory agreements with the Sewer Warrant Insurers, the Ad Hoc Warrantholders, and any other Plan Support Parties regarding issues that are not fully detailed in this document, as well as with JPMorgan in respect of its non-sewer related claims against the County (which agreement is set forth in that certain *Plan Support Agreement* dated as of May 13, 2013), and the negotiation and execution of additional documentation, all of which that affect the rights of JPMorgan must be satisfactory to JPMorgan and the County.

As part of the global settlement among the County, JPMorgan, and the other Plan Support Parties to be implemented pursuant to the Plan, and in consideration of the settlement and release of all subordination and other claims, causes of action, and avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) against JPMorgan related to the County, the sewer warrants, any financing or other transaction with the County, the sewer system, or any insurance issued in respect of the sewer warrants, including in pending litigation brought by the County and certain Sewer Warrant Insurers, JPMorgan will

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

consent to the reallocation to other holders of sewer warrants of a substantial portion of the Plan consideration that would otherwise be distributed on a pro rata basis to JPMorgan and, thereby, increase the recovery received by all other holders of sewer warrants and reduce the amount of sewer indebtedness following the County's emergence from chapter 9. As a result of the above-described reallocation and other concessions to be made by JPMorgan to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the effective date of the Plan (the "Effective Date"), JPMorgan will ultimately recover under the Plan only approximately 31% (i.e., approximately \$376 million) of its more than \$1.2 billion in Adjusted Principal Amount of sewer warrants (and will also waive more than \$25 million of other sewer related claims), while other holders of sewer warrants will generally be able to choose to recover under the Plan 80% of the Adjusted Principal Amount of their sewer warrants.

The Plan will include a Commutation Election mechanism whereby holders of sewer warrants (including FGIC with respect to the FGIC Assured-Insured Warrants but excluding FGIC with respect to all other Sewer Warrants it holds and excluding the other Sewer Warrant Insurers) may elect or be deemed to elect to commute claims that could be asserted against the Sewer Warrant Insurers under the applicable sewer warrant insurance policies and receive as a result of such election a higher recovery under the Plan. This higher recovery to holders who elect or are deemed to elect to commute such claims shall be funded as part of the JPMorgan reallocation referenced above, as well as through consideration contributed by the Sewer Warrant Insurers by settling and releasing their claims against the County and JPMorgan and allowing their pro rata share of such reallocation by JPMorgan to be made available to other holders as part of the Commutation Election. JPMorgan will be obligated to commute all such insurance claims for no incremental consideration, all other Plan Support Parties other than the Sewer Warrant Insurers (or pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) will make the Commutation Election, and any holder of sewer warrants that previously commuted the insurance obligations of a Sewer Warrant Insurer to such holder shall remain bound by such prior commutation in accordance with the terms of the applicable agreements. The Commutation Election or deemed Commutation Election will be independent of the holder's vote for or against the Plan.

There will also be broad mutual releases exchanged among the County, JPMorgan, and all the other Plan Support Parties effective upon the Effective Date, including releases of any claims against each other (including on account of any claims under or in connection with any insurance policies issued by the Sewer Warrant Insurers, other than FGIC with respect to the FGIC Assured-Insured Warrants or pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) and of any claims being asserted by other parties on behalf of the County, but excluding only the obligations imposed under the Plan and obligations unrelated to the County, the County's sewer warrants, and the policies insuring the County's sewer warrants. These releases will be presented as a resolution of disputed claims inextricably bound with the

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Plan pursuant to Federal Rule of Bankruptcy Procedure 9019, and to the extent provided therein, will bind all creditors and other parties in interest (including, without limitation, plaintiffs purporting to assert claims derivatively on the County's behalf, as in pending adversary proceedings). The Plan and form of order confirming the Plan (the "Confirmation Order") will contain injunctions enforcing the releases under the Plan and the Commutation Election.

B. Plan Support Agreements

1. JPMorgan, the other Plan Support Parties, and the County will enter into plan support agreements with respect to the Plan (each, a "Plan Support Agreement" and collectively, the "Plan Support Agreements") on or before June 6, 2013. Each Plan Support Agreement must be in a form acceptable to all the other Plan Support Parties. Subject to applicable bankruptcy law, including approval of a disclosure statement in respect of the Plan by the Bankruptcy Court, the Plan Support Agreements will obligate the County and the Plan Support Parties to use reasonable efforts to have the Effective Date occur on or before the Outside Date. Among other provisions, the Plan Support Agreements will provide for (a) the right of the Plan Support Party or Parties party to such Plan Support Agreement to approve the provisions of the following documents that would potentially affect the rights of the applicable Plan Support Party or Parties: (i) the Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into the Plan and the Confirmation Order, (ii) the order or orders approving the disclosure statement for the Plan and the notice and other procedures for soliciting votes on the Plan and affirmative or deemed elections with respect to the Commutation Election, including the ballots or such other documents that contain the Commutation Election, (iii) the form of the Confirmation Order, and (iv) all other relevant Plan and closing documentation, (b) a stay and standstill of litigation as discussed in paragraph B.2 below, (c) deadlines for approval of the disclosure statement for the Plan (August 30, 2013), confirmation of the Plan (November 25, 2013), and the Effective Date (December 31, 2013), (d) a forbearance as described further in paragraph B.5 below, (e) the obligation of all Plan Support Parties and the County to support the Plan's confirmation and, subject to the approval of a disclosure statement by the Bankruptcy Court, of the Plan Support Parties to vote to accept the Plan, and (f) termination of the Plan Support Agreements upon the occurrence of certain events, including, for example, entry of an order denying confirmation of the Plan, failure of the Effective Date to occur by the Outside Date, failure of the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, to approve, no later than June 28, 2013 (or such later date as the County, FGIC, and FGIC's rehabilitator may agree in writing for obtaining such court approval), FGIC's execution and performance of a Plan Support Agreement, and termination or any material amendment of any Plan Support Agreement (the date, if any, on which any Plan Support Agreement is terminated in accordance with its terms being the "Plan Support Termination Date").

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

2. Subject to approval of the appropriate courts, the Plan Support Parties and the County will use reasonable efforts to assure that all pending litigation (including appeals) related to the County's sewer warrants and involving any of the County, the Plan Support Parties, and/or the Bank of New York Mellon as Trustee under the Indenture (the "Indenture Trustee"), other than the pending Lehman Brothers claim priority adversary proceeding, will be stayed until (i) compromised, settled, and/or dismissed on terms acceptable to the applicable parties pursuant to, and in consideration of the settlements incorporated into and treatment under, the Plan, or (ii) the Plan Support Termination Date (the "Standstill Period"); *provided, however*, that no party shall be required to incur or become obligated in respect of any material liability or expense to achieve such a standstill. As a part of the standstill of pending litigation and pursuant to a stipulated form of order to effect a standstill in the declaratory judgment action commenced by the Indenture Trustee, Adversary Proceeding No. 13-00019 (the "Declaratory Judgment Action"), the Indenture Trustee and the Plan Support Parties will not present any claims or seek to draw on the wrap policies or the DSRF policies during the Standstill Period. The County and the Plan Support Parties will use reasonable efforts to obtain and implement a litigation stay or standstill of any other litigation involving the Indenture Trustee and/or the Plan Support Parties related to the County's sewer warrants through the Standstill Period. In addition, except as may otherwise be specified in the Plan Support Agreements, each of the County and the Plan Support Parties will agree to a standstill regarding any future litigation vis-à-vis any of each other related to the County's sewer debt through the Standstill Period. As noted above, successfully obtaining and implementing such a litigation stay and standstill through the Standstill Period is a condition to the continued effectiveness of the Plan Support Agreements, provided that such condition may be waived by an agreement in writing of the County and the Plan Support Parties, in their sole discretion (but only the Plan Support Parties party to such litigation or whose rights would adversely be affected thereby in any material respect).

3. The Plan Support Agreement between JPMorgan and the County (the "JPMorgan Plan Support Agreement") will restrict JPMorgan from assigning, selling, or otherwise transferring any sewer warrants or other sewer related claims until the Plan Support Termination Date.

4. The stipulated order to be entered in the Declaratory Judgment Action will provide that sewer revenues will continue to be timely remitted by the County to the Indenture Trustee in accordance with the present practices, but that during the Standstill Period no sewer revenues will be distributed to holders of sewer warrants on account of obligations becoming due on or after February 1, 2013, except (a) under the Plan (see paragraph D.2 below) or (b) until the Plan Support Termination Date. Following any Plan Support Termination Date, all parties' rights shall be reserved and will be determined as if the Plan Support Agreements were never executed.

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

5. In furtherance of the Standstill Period with respect to the payment of principal and interest on the sewer warrants otherwise payable on or after February 1, 2013, the Plan Support Agreements executed by Plan Support Parties will include a provision pursuant to which, so long as the Plan Support Termination Date has not occurred, each Plan Support Party, other than the Sewer Warrant Insurers (but including FGIC, with respect to the FGIC Assured-Insured Warrants), will not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring such Plan Support Party's sewer warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing in any Plan Support Agreement shall limit any rights of such Plan Support Party to assert that such Plan Support Party, and not such Sewer Warrant Insurer, owns, controls and may exercise all rights against the County related to such sewer warrants (but not with respect to any sewer warrants or other rights held by a Sewer Warrant Insurer as a result of payments made or to be made under any DSRF policy or wrap policy) and to appear in any rehabilitation or other proceeding (including, without limitation, the County's chapter 9 proceeding and FGIC's rehabilitation proceeding) to assert such rights.

6. The JPMorgan Plan Support Agreement will set forth (a) the aggregate consideration from refinancing proceeds and other sources of cash which must be paid to the County's sewer warrant creditors, including JPMorgan and the other Plan Support Parties, and (b) the Financing Plan (as defined below) acceptable in the opinion of the County and JPMorgan to allow the Plan to become effective on the terms set forth in the JPMorgan Plan Support Agreement and the other Plan Support Agreements.

7. By the Commission approving the resolution directing the President of the Commission to execute each Plan Support Agreement, including the JPMorgan Plan Support Agreement, the County shall commit (subject to confirmation of the Plan and the occurrence of the Effective Date, and in accordance with and pursuant to the Plan) to institute future sewer rate modifications in the Approved Rate Schedule, which will be adequate to achieve rate increases of up to 7.41% in each of the first four years after the Effective Date, and up to 3.49% in each year thereafter so long as the New Sewer Warrants remain outstanding, consistent with a financing plan containing assumptions regarding an issuance amount, costs of issuance, issuance proceeds, rate and revenue forecasts, and assumptions concerning elasticity, operating expenditures and capital expenditures, each as presented for consideration and approval by the Commission simultaneously with the Plan Support Agreements (the "Financing Plan"). To the extent the County can issue the New Sewer Warrants, in the amounts required hereunder, by committing to rate increases that are lower than those set forth in the Approved Rate Schedule, the County may do so. In addition, the documents governing the New Sewer Warrants shall contain rate, revenue, and other customary covenants permitting the County, following the Effective Date, to institute sewer rate modifications reducing, or requiring the

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

County to institute sewer rate modifications increasing, rates from those set forth in the Approved Rate Schedule, depending on positive or negative variances following the Effective Date from the Financing Plan.

C. Plan Classification And Treatment Of Certain Sewer Debt Claims¹

1. JPMorgan Sewer Related Claims

A. The classification of JPMorgan's sewer related claims will be determined by agreement of the County and JPMorgan. JPMorgan's sewer related claims shall be allowed pursuant to the Plan, and after giving effect to the concessions by JPMorgan and the settlements and releases to be implemented pursuant to the Plan, such claims shall not be subject to any further defense, counterclaim, subordination, or offset of any kind.

B. On account of all of its sewer related claims, and after giving effect to such concessions and the reallocation pursuant to the Plan to other holders of sewer warrants of a substantial portion of the Plan consideration that would otherwise be distributed on a pro rata basis to JPMorgan if the distribution to holders of sewer warrants of proceeds of New Sewer Warrants pursuant to the Plan were made on a pro rata basis, and other concessions to be made by JPMorgan to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, JPMorgan shall receive, in full satisfaction, release, and exchange of such sewer related claims, a percentage recovery in cash on the Effective Date from the proceeds of the New Sewer Warrants and other sources of cash equal to approximately 31% (i.e., approximately \$376 million) of the Adjusted Principal Amount of sewer warrants beneficially owned by JPMorgan (approximately \$1.218 billion), plus its pro rata share of the distribution of Accumulated Revenues, and JPMorgan will waive all claims under any sewer related insurance policies, and more than \$25 million in claims on account of default interest on any of its sewer warrants, any claims related to any swap transactions entered into with the County in connection with any sewer warrants, and any sewer related (limited or general obligation) claims for indemnification, reimbursement or contribution on any grounds.

2. General Sewer Warrant Claims

Class 1-A will largely consist of all general, non-insurer held sewer warrant claims and the FGIC Assured-Insured Warrants. Claims in Class 1-A shall be allowed and treated as provided for herein and included in the Plan.

Each holder of an allowed Class 1-A Claim (other than JPMorgan, who will agree to less favorable treatment as described herein, if included in Class 1-A) shall receive, in full

¹ Additional classification issues will be addressed in the final documents, including regarding sewer swap and other subordinated claims.

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

satisfaction, release, and exchange of such holder's claims, a minimum Plan distribution of cash from refinancing proceeds and other sources of cash in an amount equal to 65% of the Adjusted Principal Amount of such holder's sewer warrants (such minimum Plan distribution percentage is higher than such holder's pro rata share of such proceeds and other sources of cash as a result of (i) the reallocation of Plan consideration from JPMorgan to holders of Class 1-A Claims) and (ii) consideration provided as a result of the Sewer Warrant Insurers settling and releasing their claims against the County and JPMorgan and allowing their pro rata share of such reallocation by JPMorgan to be made available to other holders, and the right to choose between the following two distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a distribution of cash from refinancing proceeds and other sources of cash in an amount equal to 80% of the Adjusted Principal Amount of such holder's sewer warrants (which amount is inclusive of the above-referenced right to receive a 65% minimum Plan distribution) in full settlement, satisfaction, and release of all of the holder's claims against the County and all the Plan Support Parties (including, without limitation, against the Sewer Warrant Insurers in respect of any insurance policies insuring such holder's sewer warrants, and any claims on account of prepetition default rate interest with respect to such holder's Sewer Warrants); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a distribution of cash from refinancing proceeds and other sources of cash in an amount equal to (A) 65% of the Adjusted Principal Amount of such holder's Sewer Warrants and (B) 65% of the allowed amount, if any, of any claims on account of prepetition default rate interest with respect to such holder's Sewer Warrants in full settlement, satisfaction, and release of all of the holder's claims against the County, and (ii) the retention of any rights against the applicable Sewer Warrant Insurer in respect of any wrap policies insuring such holder's sewer warrants which rights shall not be waived or impaired.

The sources of the incremental recovery above 65% to those holders that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to JPMorgan and (ii) consideration provided as a result of the Sewer Warrant Insurers settling and releasing their claims against the County and JPMorgan and allowing their pro rata share of such reallocation by JPMorgan to be made available to other holders.

The Ad Hoc Warrantheolders must make the Commutation Election and the election to waive any claims on account of default interest, as applicable. The Ad Hoc Warrantheolders will also be compensated from the proceeds of the refinancing transaction for providing a backstop/put to be structured on terms acceptable to the County, the lead underwriter for the issuance of the New Sewer Warrants and the Ad Hoc Warrantheolders. Subject to confirmation of the Plan, the occurrence of the Effective Date, approval of the Bankruptcy Court and to such other terms

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

and conditions as agreed between JPMorgan and the Ad Hoc Warrantholders, and as material component of the Ad Hoc Warrantholders' agreement to the transactions described in the Plan Support Agreement for the Ad Hoc Warrantholders (including, without limitation, the agreement to waive all insurance and default interest claims, and subject to exceptions to be set forth therein, to restrict transfer of sewer warrants only to parties who agree to become party to and bound by all obligations under the Plan Support Agreement for the Ad Hoc Warrantholders and the backstop/put agreement), which agreement will facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, JPMorgan has agreed, in addition (and after giving effect) to the above-described reallocation of Plan consideration by JPMorgan to increase the recovery under the Plan by all holders (other than JPMorgan) of sewer warrants and reduce the amount of sewer indebtedness following the County's emergence from chapter 9, to direct the County and the Indenture Trustee (or "paying agent" under the Plan) to reallocate and distribute to the Ad Hoc Warrantholders a portion of the cash recovery on the sewer warrants held by JPMorgan (which reallocation/distribution will be implemented immediately prior to the recovery/distribution to JPMorgan of the amount referenced in paragraph C.1.B. above).

3. Sewer Warrant Insurers Claims

Class 1-B or any separate subclasses thereof that may be agreed to among the County and the Sewer Warrant Insurers will consist of all claims against the County held by the Sewer Warrant Insurers, whatever the origin (including based on sewer warrants now held, claims under any of the DSRF or wrap policies, litigation claims, and all other claims of any nature whatsoever), but excluding (i) the Insurer Outlay Amount (which will be reimbursed from Accumulated Revenues on the Effective Date pursuant to paragraph D.2) and (ii) the FGIC Assured-Insured Warrants.

Claims in Class 1-B shall receive on the Effective Date, in full satisfaction, release, and exchange of all claims of whatever nature:

A. An aggregate distribution of \$165,000,000 from refinancing proceeds and other sources of cash, which aggregate amount shall be distributed among the Sewer Warrant Insurers in a manner to be agreed among the Sewer Warrant Insurers;

B. An aggregate distribution in an amount equal to the Non-Commutation True-Up Amount (i.e., the difference between 65% and 80% resulting from any holders not making or not deemed to make the Commutation Election) from refinancing proceeds and other sources of cash, which aggregate amount shall be distributed among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurer Plan Support Agreement;

C. An aggregate distribution not to exceed \$25 million on account of the actual Tail Risk; and

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

D. An amount to each Sewer Warrant Insurer equal to the aggregate amount, if any, equal to the Insurer Outlay Amount of such Sewer Warrant Insurer, and any other amount to which they are entitled under paragraph D.2. hereof.

On the Effective Date, all DSRF-related agreements will be deemed cancelled and of no further force or effect.

The source of the Non-Commutation True-Up Amount to be paid to the Sewer Warrant Insurers will be from the reallocation of Plan consideration that otherwise would have been distributed to JPMorgan.

D. Certain Other Plan Provisions

1. The County, JPMorgan, and the other Plan Support Parties will grant broad mutual releases to be effective as of the Effective Date as among each of them and their specified "Related Parties" (accountants, affiliates, agents, assigns, attorneys, bankers, consultants, directors, employees, executors, financial advisors, heirs, managers, members, officers, parent entities, partners, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present) of any claims (including without limitation, the settlement and release of any claim for equitable subordination of any claims of JPMorgan, and the dismissal with prejudice effective on the Effective Date of the pending litigation against JPMorgan and its "Related Parties" filed by the County and by certain Sewer Warrant Insurers) related to the County, any financing or other transaction with the County, the sewer system, or any insurance issued in respect of the sewer warrants, excluding any claims by FGIC against Assured on the wrap policy or policies insuring the FGIC Assured-Insured Warrants and except as provided in Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement. The Plan will also include exculpation provisions in favor of the County, JPMorgan, the other Plan Support Parties, and their respective "Related Parties" to the maximum extent permitted by applicable law.

2. The Plan will provide that, to implement a settlement incorporated into the Plan pursuant to Federal Rule of Bankruptcy Procedure 9019 of any and all claims and matters raised in the Declaratory Judgment Action, and any claims related to the reapplication to principal of any interest payments made on the Sewer Warrants during the chapter 9 case, on the Effective Date, the Insurer Outlay Amount and all non-default rate interest accrued and unpaid as of the Effective Date (without providing for interest on interest) and all principal amounts which have become due and payable prior to the Effective Date (without giving effect to any acceleration or any accelerated redemption schedule) shall be distributed to the applicable parties from the Accumulated Revenues, including on the sewer warrants held by the Plan Support Parties. The Plan will provide that for purposes of distributions under the Plan,

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

no payments on the sewer warrants during the chapter 9 case (other than amounts used to repay sewer warrants at maturity or otherwise redeem sewer warrants prior to maturity pursuant to the sewer warrant indenture) shall be applied to reduce principal.

3. The Plan and the Confirmation Order will enjoin the Indenture Trustee and any holders of sewer warrants or any other person from pursuing any right of payment under (i) any DSRF policy (all such DSRF policies will be canceled and terminated on the Effective Date) or (ii) any wrap policy with respect to any warrant holder which made or is deemed to have made the Commutation Election, but shall not enjoin any holders of sewer warrants from pursuing any right of payment under the applicable wrap policy against the applicable Sewer Warrant Insurer, but only with respect to any sewer warrants as to which the holder has not made or has not been deemed to make the Commutation Election (including FGIC with respect to the FGIC Assured-Insured Warrants and pursuant to Section 3(e) of the Ad Hoc Warrant Holders' Plan Support Agreement).

4. Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the New Sewer Warrants and the covenants made by the County for the benefit of the holders thereof (including, without limitation, the revenue and rate covenants) 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 special revenues, which validation will be set forth in the Plan and Confirmation Order.

5. Confirmation of the Plan shall constitute a finding that the Approved Rate Schedule complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6). Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the Approved Rate Schedule is appropriate and binding on and specifically enforceable against the County, the County Commission, and all parties in interest in accordance with the Plan, including because such Approved Rate Schedule is a valid provision made to pay or secure payment of the New Sewer Warrants.

6. All right, title, and interest in and to the sewer system will remain with the County and following the Effective Date, the County Commission will continue to govern the County and oversee the sewer system in accordance with the Plan, the County's constituent documents, the Constitution and applicable statutes of the State of Alabama, the 1996 Consent Decree related to the sewer system, and other applicable laws.

7. The Plan and the Confirmation Order will provide for broad retained bankruptcy jurisdiction to the maximum extent permitted by law, which will expressly include any and all controversies, suits, or issues that may arise regarding the validity of any actions

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

taken by any person pursuant to or in furtherance of the Plan, including implementation or enforcement of the Approved Rate Schedule, issuance of the New Sewer Warrants, implementation or enforcement of the Commutation Election, and implementation or enforcement of all injunctions or releases associated with the Plan.

8. The County will enter into a backstop/put agreement with the Ad Hoc Warrantholders in respect of certain backstop/put obligations with respect to the New Sewer Warrants in exchange for consideration to be paid on the Effective Date.

9. The Plan and solicitation procedures relating to the Plan will provide that any holder of sewer warrants that votes to accept the Plan will be deemed to have released as of the Effective Date all of such holder's claims against the County, JPMorgan and the other Plan Support Parties, and against their respective "Related Parties" other than any rights of a holder not making the Commutation Election (including FGIC with respect to the FGIC Assured-Insured Warrants and pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) against the applicable Sewer Warrant Insurer under the applicable wrap policy.

10. The County and JPMorgan acknowledge that the transactions described herein are contingent on implementation of the Financing Plan. The County acknowledges that the Financing Plan contemplates the issuance of New Sewer Warrants to produce net proceeds for distribution to sewer warrant creditors under the Plan of approximately \$1.835 billion, which amount excludes the consideration payable under the backstop/put agreement. Adverse changes in financing markets (including, without limitation, increases in market interest rates) shall not constitute a termination event under the JPMorgan Plan Support Agreement unless the County, in consultation with its financial advisors, determines in good faith that it is not economically possible to implement the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a "Market Shift"), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

E. Certain Conditions To The Effective Date

1. The County shall have entered into a settlement agreement with the IRS regarding the pending audit on terms acceptable to the County and the Plan Support Parties;

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

provided, however, that if any settlement payment is required to be made to the IRS, such payment shall be payable exclusively from the Indenture Funds, Accumulated Revenues, or gross sewer revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate refinancing consideration to be paid to sewer creditors or any other payments described herein to be paid to the Plan Support Parties.

2. The aggregate Tail Risk does not exceed \$25.0 million.

3. The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate refinancing and other cash consideration to make the payments to holders of Class 1-A claims (and JPMorgan if not included in Class 1-A) and Class 1-B claims as provided in the Plan Support Agreements (and the Plan) shall be available to the County and shall have been paid under the Plan to the Indenture Trustee or to the applicable Sewer Warrant Insurer for distribution in accordance with the Plan on the Effective Date.

4. All of the settlements and releases contemplated by the Plan shall have been approved pursuant to the Confirmation Order, and the litigation against JPMorgan commenced by the County and certain Sewer Warrant Insurers shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice.

5. The JPMorgan Plan Support Agreement and the other Plan Support Agreements shall remain in full force and effect, and the Effective Date shall occur not later than the Outside Date.

6. The Plan shall have been confirmed by the Confirmation Order (which order shall incorporate the provisions of, and otherwise be materially consistent with, this term sheet and the JPMorgan Plan Support Agreement, and shall be in a form acceptable to the County, JPMorgan, and the other Plan Support Parties to the extent the relevant provisions of the Confirmation Order would affect the rights of the applicable Plan Support Party), the Confirmation Order shall have been entered and not subject to any stay, and all closing documentation shall have been executed and become effective and, to the extent required by the applicable Plan Support Agreement or the Plan, approved by the Plan Support Parties.

The Plan will provide that the conditions to the Effective Date cannot be waived or modified except upon written agreement of the County and any Plan Support Party that is affected by the subject condition.

F. Certain Additional Matters

1. Except as otherwise specified herein, all existing Indenture Funds (both disputed and undisputed) and all Accumulated Revenues remaining after payment of the amounts required in paragraph D.2, will, along with the refinancing proceeds, be used to satisfy

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

the County's obligations under the Plan. In addition, but only to the extent that doing so does not diminish or reduce the payments to be made to JPMorgan or the other sewer creditors under the Plan, an amount equal to the aggregate balance of the available Indenture Funds and Accumulated Revenues remaining after payment of the amounts required in paragraph D.2, will be used to fund a debt service reserve fund under the new indenture for the New Sewer Warrants and additional proceeds of the New Sewer Warrants after such Plan payments will be utilized to top off a reserve account at 10% of outstanding principal of the New Sewer Warrants, provided that such reserve shall not diminish or reduce the payments to be made to JPMorgan or the other sewer creditors under the Plan. Until the earlier of (A) the Effective Date, or (B) the Plan Support Termination Date, and notwithstanding any ruling by the Bankruptcy Court which may authorize any other payments, the Indenture Funds may be used only to pay (i) reasonable capital expenditures associated with the sewer system from the following accounts at Regions Bank: Account Number 1020003424, Account Number 1020004735, and Account Number 1020003460; and (ii) the reasonable fees and costs of the Indenture Trustee to the extent permitted to be paid under the sewer warrant indenture.

2. The County will file a motion (to be heard prior to or contemporaneously with the confirmation hearing regarding the Plan) seeking the Bankruptcy Court's approval of the incurrence of all indebtedness and extensions of credit necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of the New Sewer Warrants, the incurrence of any underwriting fees to be paid at closing, and the incurrence of the backstop/put obligations. In such motion, the County will further seek a ruling that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness or extensions of credit to the maximum extent permitted by law. The form of such motion and proposed order thereon shall be acceptable to each of the Plan Support Parties.

3. To the extent necessary to implement any provision of the Plan or any related transactions, the County shall provide its consent for purposes of Bankruptcy Code section 904.

4. Costs of issuance with respect to the New Sewer Warrants, including work of the County's bond counsel relating to such issuance, will be paid from the gross proceeds of the issuance of the New Sewer Warrants.

5. Whenever this term sheet provides that any party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Plan must in all events contain the terms set forth herein and in the JPM Plan Support Agreement and the other Plan Support Agreements.

Exhibit A

Certain Key Defined Terms

“Accumulated Revenues” mean all system revenues that are deposited and retained by the Indenture Trustee in either the “Jefferson County Sewer System Revenue Account” or the “Jefferson County Sewer System Debt Service Fund” as of and after January 31, 2013, and through the Effective Date.

“Ad Hoc Warrantholders” means those Plan Support Parties advised by Kramer Levin Naftalis & Frankel LLP, Tanner & Guin, LLC, and GLC Advisors & Co., which holders own, or advise accounts that own, in the aggregate approximately \$872 million principal amount of sewer warrants as of the date of the Ad Hoc Warrantholders’ Plan Support Agreement.

“Adjusted Principal Amount” means the amount of principal considered to be outstanding on the sewer warrants as of January 31, 2013, based upon the records maintained by the Indenture Trustee, less payments to be made on the Effective Date from the Accumulated Revenues as set forth in paragraph D.2. The Adjusted Principal Amount is anticipated to be approximately \$3.078 billion.

“Approved Rate Schedule” means the structure of rates to be charged by the County to support the repayment of the New Sewer Warrants, which structure of rates shall be approved by the Bankruptcy Court pursuant to the Plan and the Confirmation Order.

“Commutation Election” means an election or deemed election by a holder of sewer warrants to commute, waive, and forever release and forego (i) any rights against the applicable Sewer Warrant Insurer insuring such holder’s sewer warrants to receive any payments from or on account of such Sewer Warrant Insurer’s related policy or policies, (ii) any claims on account of prepetition default rate interest, and (iii) any other claims or causes of action against the County or against any of the Plan Support Parties.

“FGIC Assured-Insured Warrants” means Series 2003-B-8 Sewer Warrants in the principal amount of \$6,000,000 insured by one or more wrap policies issued by Assured, and held by FGIC as an investment.

“Indenture Funds” means any funds or accounts that are established by or have any connection to the sewer warrant indenture regardless of the pendency of any dispute concerning whether the Indenture Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

“Insurer Outlay Amount” means a sum equal to the amount of any payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of sewer warrants under the applicable insurance policy or policies on or after February 1, 2013 and through the Effective Date, plus interest on the principal portion of such payments, calculated at the warrant rate, i.e., 5.25% on the fixed rate warrants and two (2) times the one month LIBOR rate on the auction rate warrants. For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to warrant interest.

“New Sewer Warrants” means new sewer warrants to be issued pursuant to the Plan by the County.

“Non-Commutation True-Up Amount” means an aggregate amount equal to, with respect to each sewer warrant held by a person that elects to not make or is not deemed to make the Commutation Election, the difference between (i) 80% of the Adjusted Principal Amount of such sewer warrant, and (ii) 65% of the Adjusted Principal Amount of such sewer warrant.

“Outside Date” means December 31, 2013, or such later date as may be agreed in writing by the County and JPMorgan, in their respective sole discretion.

“Plan” means a plan of adjustment containing the terms set forth herein, in the JPMorgan Plan Support Agreement, the other Plan Support Agreements and other terms acceptable to the County and JPMorgan, including in respect of the consensual allowance and treatment under the Plan of the claims of JPMorgan against the County, and in consideration of such treatment, the settlement and release of all subordination and other claims, causes of action and avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) against JPMorgan related to the County, any financing or other transaction with the County, the sewer system, the sewer warrants or any insurance issued in respect of the sewer warrants, including any such claims, causes of action and avoidance actions of the County (including without limitation, claims asserted derivatively on behalf of the County, as in pending adversary proceedings), the Sewer Warrant Insurers or other holders of claims against the County, and the dismissal with prejudice of all pending litigation involving JPMorgan related thereto.

“Plan Support Parties” means, collectively, JPMorgan, the Ad Hoc Warrantholders, the Sewer Warrant Insurers, and any additional sewer warrant holder that executes a Plan Support Agreement.

“Sewer Warrant Insurers” means, collectively, Assured, FGIC, and Syncora.

“Tail Risk” means the claim exposure of each of the Sewer Warrant Insurers under the wrap policies that remains after the Effective Date (after giving effect to the payments set forth in paragraph C.3. under the Plan to sewer creditors on the Effective Date and the County’s

Jefferson County
JPMorgan Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

payment of the Non-Commutation True-Up Amount) based upon the aggregate amount of the sewer warrants held by holders that (i) elect to not make or are not deemed to make the Commutation Election, or (ii) hold Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured, and are “deemed” to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, which exposure will be agreed by the Sewer Warrant Insurers with the County.

Exhibit B

Form of Sewer Warrant Insurer PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as Exhibit A (the “Plan Term Sheet”), which are expressly incorporated herein by reference, this “Agreement”), dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the “County”), on the one hand, and Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“Assured”), Financial Guaranty Insurance Company (“FGIC”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“Syncora” and collectively with Assured and FGIC, the “Sewer Warrant Insurers”), on the other hand. Each of the Sewer Warrant Insurers and the County are referred to herein as a “Party” and collectively as the “Parties.” Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the “Indenture”), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the “Trustee”), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County’s sewer system (the “Sewer Warrants”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997; (ii) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001; (iii) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002; (iv) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (v) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003; (vi) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (vii) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (viii) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003; and (ix) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003 (collectively, the “Sewer Wrap Policies”);

WHEREAS, in connection with the issuance of certain series of Sewer Warrants and in order to satisfy certain requirements under the Indenture, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (ii) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (iii) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (iv) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005 (collectively, the “Sewer DSRF Policies”);

WHEREAS, in connection with the issuance of the Sewer DSRF Policies, the County entered into the following agreements: (i) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and between the County and FGIC; (ii) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (iii) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (iv) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured (collectively, the “Sewer DSRF Reimbursement Agreements”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a “Standby Agreement”);

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the “Bankruptcy 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”);

WHEREAS, each of the Sewer Warrant Insurers has filed claims in the Bankruptcy Case against the County asserting rights to be paid various amounts arising from or in connection with the Sewer Wrap Policies, the Sewer DSRF Policies, and the Sewer DSRF Reimbursement Agreements, including on account of certain Sewer Warrants that are individually held by certain of the Sewer Warrant Insurers (collectively and with any and all other claims of the Sewer Warrant Insurers, whatever the origin or nature, the “Sewer Warrant Insurer Claims”);

WHEREAS, the County disputes the Sewer Warrant Insurers’ entitlements with respect to certain of the Sewer Warrant Insurer Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the Sewer Warrant Insurers dispute the County’s contentions;

WHEREAS, on June 28, 2012, the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) appointed Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator (the “Rehabilitator”) of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”);

WHEREAS, notwithstanding any representation or warranty by, or provision of this Agreement applicable to, FGIC, FGIC's obligations hereunder (and any applicable representations, warranties, or provisions herein) are expressly subject to the Rehabilitator obtaining an order in the FGIC Rehabilitation Proceeding approving FGIC's execution and performance of this Agreement no later than June 28, 2013 (or such later date as the County, FGIC, and the Rehabilitator may agree in writing for obtaining such approval);

WHEREAS, on or about February 6, 2013, the Trustee commenced an adversary proceeding against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the "Declaratory Judgment Action");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "JPMorgan PSA") with JPMorgan Chase Bank, N.A. ("JPMorgan") and a plan support agreement (the "Supporting Warrantholder PSA") with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders" and collectively with JPMorgan and the Sewer Warrant Insurers, the "Plan Support Parties");

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, the Sewer Warrant Insurers are contemporaneously entering into certain agreements among themselves (to which the County is not a party) in order to address, among other things, how the consideration payable to the Sewer Warrant Insurers pursuant to an Acceptable Plan (as defined below) shall be distributed and allocated among the Sewer Warrant Insurers and pursuant to the commutation of reinsurance agreements between and among the Sewer Warrant Insurers related to the Sewer Warrants (collectively, the "Sewer Warrant Insurers Agreements");

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 7.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing the Sewer Warrant Insurers (the “Insurer Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Insurer Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a Disclosure Statement (as defined below), and a Confirmation Order (as defined below), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement (as defined below) or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Sewer Warrant Insurers shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all Sewer Warrant Insurer Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; *provided*, that for the purposes of the Sewer Warrant Insurers voting to accept an Acceptable Plan (including as provided in this Section 1(e)), the term “Sewer Warrant Insurer Claims” shall not include any claims on account of Sewer Warrants that are insured, but not owned, by a Sewer Warrant Insurer, but shall include claims that arise under the Sewer DSRF Reimbursement

Agreements or on account of any principal or interest scheduled to become payable on or after February 1, 2013, that is paid by such Sewer Warrant Insurer and the FGIC Assured-Insured Warrants; and (iii) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan. For the avoidance of doubt, such releases shall not release any rights of the Sewer Warrant Insurers (x) *vis-à-vis* each other to the extent not released in or reserved in any Sewer Warrant Insurers Agreement, (y) under an Acceptable Plan or the Tail Risk Payment Agreements, and (z) of FGIC against Assured under any Sewer Wrap Policies issued by Assured insuring the FGIC Assured-Insured Warrants.

(f) No Party will contest any other Party's ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Sewer Warrant Insurers or any other creditors with respect to an Acceptable Plan until such parties have received a disclosure statement for an Acceptable Plan (the "Disclosure Statement"), any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) The Sewer Warrant Insurers will have the right to approve all provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the applicable Sewer Warrant Insurer prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the order confirming an Acceptable Plan (the "Confirmation Order"); (ii) the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the work to be done by KCC (or any other entity retained by the County acceptable to the Sewer Warrant Insurers) as a solicitation agent acceptable to the Sewer Warrant Insurers, which will take all reasonable efforts as approved by the Bankruptcy Court to provide holders of Class 1-A claims with actual notice regarding the Commutation Election and an Acceptable Plan (the "Solicitation Procedures"), including the ballots or such other documents that contain the Commutation Election (the "Solicitation Ballots") and any

affidavit of service to be filed by KCC (or any other agent) in connection therewith; (iii) the Disclosure Statement, including the description of the Solicitation Procedures set forth in the Disclosure Statement and any other document to be distributed to holders of Class 1-A claims and the form of the Solicitation Ballots; (iv) procedures by which holders of Class 1-A claims that do not vote or make the Commutation Election, or that elect to both make and not make the Commutation Election, are deemed to have made such an election (the “Commutation Election Procedures”); (v) procedures by which holders of Series 2003-C-9 or 2003-C-10 Sewer Warrants insured by Assured, who have been “deemed” to make the Commutation Election, will be notified of their right to rescind such “deemed” Commutation Election by providing written notice thereof to KCC (or any other agent), Assured, and the County within not less than 29 calendar days after the deadline for making the Commutation Election (the “Rescission Procedures”); (vi) the order or orders approving the Disclosure Statement, Solicitation Procedures, form of Solicitation Ballots, Commutation Election Procedures, and Rescission Procedures; (vii) the Confirmation Order; (viii) the Stipulated Order (as defined below); (ix) the Tail Risk Payment Agreements; (x) all other related Acceptable Plan and closing documentation; and (xi) any other document which is subject to approval by the Sewer Warrant Insurers pursuant to the Plan Term Sheet. The County shall provide the Insurer Professionals with a copy of the ballot tabulation and Commutation Election results (after giving effect to any rescissions exercised by any holders of the Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured) within one (1) business day of the completion of the report of such results by KCC (or any other agent) and the County.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC Rehabilitation Proceeding, except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder

as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any of the Sewer Wrap Policies or any of the Sewer DSRF Policies); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), the Sewer Warrant Insurers providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the Sewer Warrant Insurers to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the Sewer Warrant Insurers, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of such Sewer Warrant Insurer) expose any such Sewer Warrant Insurer to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The Sewer Warrant Insurers shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 7.

(d) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any of the Sewer Wrap Policies and Sewer DSRF Policies, pursuant to a stipulated form of order acceptable to the County and each of the Sewer Warrant Insurers (the “Stipulated Order”) to effect a standstill or suspension of the Declaratory Judgment Action, (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any Sewer Wrap Policies or Sewer DSRF Policies; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(d)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the

termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(x) of the Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

(e) So long as none of this Agreement, the Supporting Warrantholder PSA, or the JPMorgan PSA has been terminated, FGIC shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the FGIC Assured-Insured Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of FGIC to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

Section 3. Representations and Covenants Regarding Claims.

(a) FGIC represents that as of the date of this Agreement, FGIC owns (i) Series 2002-A Sewer Warrants in the principal amount of \$101,465,000, and (ii) Series 2003-B-8 Sewer Warrants in the principal amount of \$6,000,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Syncora represents that as of the date of this Agreement, Syncora owns Sewer Warrants in the principal amount of \$214,191,875.11 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Assured represents that as of the date of this Agreement, Assured owns Sewer Warrants in the principal amount of \$20,375,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Each Sewer Warrant Insurer represents that as of the date of this Agreement, and except (i) pursuant to any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) as may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to such insurer or such insurer's inability to pay claims in full; or (iii) pursuant to a stipulation, agreement, or court order described in Section 3(c) below, it has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Sewer Warrant Insurer Claims held by such Sewer Warrant Insurer that are inconsistent with, or in violation of, the representations and warranties of such Sewer Warrant Insurer herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Sewer Warrant Insurer's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Sewer Warrant Insurer covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of the Agreement, it will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of its Sewer Warrant Insurer Claims (including any Sewer Warrants), or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a "Transfer"). Any attempt to Transfer any Sewer Warrant Insurer Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance

with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*.

(c) Notwithstanding the foregoing, each of (i) any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) any transfer that may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to a Sewer Warrant Insurer or such insurer's inability to pay claims in full; and (iii) any stipulation, other agreement, or court order resolving or otherwise addressing any dispute between one or more holders of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of holders, as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by holders and insured by such Sewer Warrant Insurer shall not constitute a "Transfer" under this Agreement.

(d) This Agreement shall in no way be construed to preclude any Sewer Warrant Insurer from acquiring additional Sewer Warrants or any claims directly related thereto as a result of such Sewer Warrant Insurer making payment under any applicable Sewer Wrap Policy or Sewer DSRF Policies on account of regularly scheduled principal or interest due on Sewer Warrants insured by such Sewer Warrant Insurer; *provided, however*, that any additional Sewer Warrants or claims against the County directly related thereto so acquired by any Sewer Warrant Insurer shall automatically be deemed to be subject to the terms of this Agreement, including the voting requirements set forth in Section 1 hereof, and the Sewer Warrant Insurer's rights to receive payments on account of such Sewer Warrants as part of the Insurer Outlay Amount set forth in the Plan Term Sheet.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the JPMorgan PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as Exhibit B and Exhibit C, respectively, and that the Supporting Warrantholders as of the date of the Supporting Warrantholder PSA have represented in the Supporting Warrantholder PSA that they hold in the aggregate no less than \$872,559,361.11 principal amount of Sewer Warrants as of the date of the Supporting Warrantholder PSA.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an

Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to the Sewer Warrant Insurers of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA, the Supporting Warrantholder PSA, or the GO PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Sewer Warrant Insurers under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Sewer Warrant Insurers of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County shall provide the Insurer Professionals a copy of the update of the relevant portion of Schedule 1 of the Supporting Warrantholder PSA that is required under Section 3(f) of the Supporting Warrantholder PSA within one (1) business day of the County's receipt of such update from the Supporting Warrantholders.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 and approval by the FGIC Rehabilitation Court (in the case of FGIC), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) Subject to approval by the FGIC Rehabilitation Court (in the case of FGIC), the execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, and except for the FGIC Rehabilitation Court (in the case of FGIC) and the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Sewer Warrant Insurers;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

(b) In connection with the agreement of the Sewer Warrant Insurers to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring,

as long as this Agreement has not been terminated in accordance with Section 7, each of the Sewer Warrant Insurers shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, the Sewer Wrap Policies, the Sewer DSRF Policies, the Sewer DSRF Reimbursement Agreements, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

Section 7. Termination & Default.

7.1. Events of Termination & Default.

(a) The County and the Sewer Warrant Insurers may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within

twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Sewer Warrant Insurers or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County, as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC’s execution and performance of this Agreement on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the Rehabilitator for obtaining such approval, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the “Standstill Date”), then any of the Sewer Warrant Insurers or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been

obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) any of the Sewer Warrant Insurers or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a “Litigation Termination Notice”). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then any of the Sewer Warrant Insurers or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Sewer Warrant Insurer materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County or any non-breaching Sewer Warrant Insurer, then, subject to such Party’s rights under Section 7.2(a), the County or any non-breaching Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then any of the Sewer Warrant Insurers, but only if such breach adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of any of the Sewer Warrant Insurers, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the applicable Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from any Sewer Warrant Insurer, then any of the Sewer Warrant Insurers, but only if such action adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If any of the Sewer Warrant Insurers files any motion or pleading that, in the reasonable judgment of the County or any other Sewer Warrant Insurer, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County or any other Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County or any other Sewer Warrant Insurer, then the County or any other Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the Sewer Warrant Insurer Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the Sewer Warrant Insurers (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement, the Solicitation Procedures, the form of Solicitation Ballots, and the

Commutation Election Procedures by August 30, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

then, in each case, any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(q) If the Supporting Warrantholder PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If any of the Sewer Warrant Insurers materially breaches one of the Sewer Warrant Insurers Agreements and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then any non-breaching Sewer Warrant Insurer, but only if such breach is in respect of a right, obligation, or interest that extends to such non-breaching Sewer Warrant Insurer's benefit, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(s) If any of the Sewer Warrant Insurers Agreements shall have been terminated or is otherwise no longer in full force and effect, then any Sewer Warrant Insurer that is a party to and has not breached the applicable Sewer Warrant Insurers Agreement may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If any condition precedent (including for the avoidance of doubt each condition precedent set forth in paragraph E. of the Plan Term Sheet) to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then the County or any of the Sewer Warrant Insurers may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the

condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(u) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and the Sewer Warrant Insurers on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and the Sewer Warrant Insurers, then the County or any of the Sewer Warrant Insurers may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(v) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(w) If the County amends the Financing Plan in any material respect without the written approval of each Sewer Warrant Insurer and does not rescind such amendment or obtain the written approval of each Sewer Warrant Insurer regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from one or more of the Sewer Warrant Insurers (which written notice must be provided by the applicable Sewer Warrant Insurer within seven (7) calendar days after the County provides the notice required by Section 4(d)), then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(x) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (x) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2. Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(m), (r), and (t)-(u), and (w), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(m), (r), (u), and (w), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3. Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties (including in the case of FGIC, the Rehabilitator); *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4. Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(x)), any and all ballots with respect to an Acceptable Plan delivered by each Sewer Warrant Insurer prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. For the avoidance of doubt, termination of this Agreement in accordance with Section 7 of this Agreement as to one of the Sewer Warrant Insurers will result in a termination of this Agreement as to all of the Sewer Warrant Insurers. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(x), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement, the Plan Term Sheet, and the Sewer Warrant Insurers Agreements were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Sewer Warrant Insurer or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Supporting Warrantholder, any other Sewer Warrant Insurer, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties (including in the case of FGIC, the Rehabilitator), and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the Sewer Warrant Insurers (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court). Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for

the sole and express benefit of each of the other Parties to this Agreement. Notwithstanding the foregoing, any dispute regarding whether FGIC has been authorized by the FGIC Rehabilitation Court to execute and perform (a) this Agreement or (b) any of the Sewer Warrant Insurers Agreements shall be subject to the exclusive jurisdiction of the FGIC Rehabilitation Court.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Sewer Warrant Insurers Agreements, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and each Sewer Warrant Insurer.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court) represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than (i) a proceeding to enforce or interpret the terms of this Agreement or (ii) with respect to FGIC, in any proceeding seeking approval of this Agreement by the FGIC Rehabilitation Court. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Sewer Warrant Insurer hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. It is understood and agreed that no Sewer Warrant Insurer has any duty of trust or confidence in any form with any other Sewer Warrant Insurer.

8.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kkleee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to Assured:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: Bruce Stern

With a copy to:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: General Counsel

and

Winston & Strawn, LLP
200 Park Avenue
New York, New York 10166
Attn: Lawrence A. Larose
Facsimile: (212) 294-4700
Email: LLarose@winston.com

If to FGIC:

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
Attn: Timothy Travers

With a copy to:

Dabney, PLLC
303 Grande Court
Richmond, VA 23229
Attn: H. Slayton Dabney, Jr., Esq.
Email: sdabney@dabneypllc.com

and

Heller, Draper, Patrick & Horn, L.L.C.
650 Poydras Street, Suite 2500
New Orleans, Louisiana 70130
Attn: William H. Patrick, III, Esq.
Facsimile: (504) 299-3399
Email: WPatrick@hellerdraper.com

If to Syncora:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: Frederick B. Hnat, Esq.

With a copy to:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: James W. Lundy, Jr., Esq.
General Counsel
Facsimile: (212) 478-3479
Email: james.lundy@scafg.com

and

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020
Attn: George B. South III, Esq.
Facsimile: (917) 778-8540
Email: george.south@dlapiper.com

and

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010
Attn: Susheel Kirpalani, Esq.
Eric M. Kay, Esq.
Facsimile: (212) 849-7100
Email: susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.13.

8.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(d)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.13, 8.15, 8.16, 8.17, and this Section 8.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however,* that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., E., or F. of the Plan Term Sheet, parts C., D., E., and F. of the Plan Term Sheet shall control.

8.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

8.17 Use of “Including” and “FGIC”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation,”. Whenever this Agreement uses the word “FGIC,” such reference shall be deemed to mean “FGIC or the Rehabilitator acting on behalf of FGIC”.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: _____

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawsky,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.

By:
Its:

Exhibit C

Form of Supporting Warrantholder PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**"), dated as of June 6, 2013, is made and entered into by and among (i) Jefferson County, Alabama (the "**County**"); (ii) each holder of Sewer Warrants signatory hereto (as further defined below, including those holders that become party hereto by signing a Transfer Agreement (as defined below), the "**Supporting Warrantholders**"); and (iii) JPMorgan Chase Bank, N.A. ("**JPMorgan**"). Each of the Supporting Warrantholders, JPMorgan, and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein and, in the case of JPMorgan and the County, in the JPMorgan PSA (as defined below), each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "**Restructuring**") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County and JPMorgan are contemporaneously entering into a separate plan support agreement (the “JPMorgan PSA”) and JPMorgan is a party to this Agreement to give effect to the agreement between JPMorgan and the Supporting Warranholders set forth in Section 5 hereof;

WHEREAS, the County is contemporaneously entering into a plan support agreement (the “Sewer Warrant Insurer PSA”) with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“Assured”), Financial Guaranty Insurance Company (“FGIC”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“Syncora”), each of which is referred to as a “Sewer Warrant Insurer” and collectively with the Supporting Warranholders and JPMorgan are the “Plan Support Parties”;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 8.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the Ad Hoc Professionals and counsel to JPMorgan draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Ad Hoc Professionals and counsel to JPMorgan will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), the Backstop/Put Agreement, and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the

expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Supporting Warrantholders shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, vote all Sewer Warrants it holds as of the date hereof or may hereafter acquire (the “Covered Sewer Warrants,” including those Sewer Warrants held as of the date hereof and set forth opposite its name on Schedule 1 (the “Eligible Sewer Warrants”)) to accept an Acceptable Plan (through submission of a ballot directly to the County’s balloting agent to the extent so permitted by the solicitation procedures order or to its prime broker or nominee holder, as applicable, in either case with a copy to the County and JPMorgan) on or before the day that is twenty-one (21) calendar days prior to the deadline set by the Bankruptcy Court for voting on an Acceptable Plan (as confirmed in writing by the County once determined, the “Ballot Submission Deadline”) and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 8.4; (iii) make the election described in Section 3[b] of the Plan Term Sheet with respect to all Covered Sewer Warrants as of the Ballot Submission Deadline contemporaneously with the vote to accept an Acceptable Plan (except to the extent provided in Section 3(e)); and (iv) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties of all claims arising under or in connection with the Covered Sewer Warrants (including providing releases as contemplated by the Plan Term Sheet) (except to the extent provided in Section 3(e)). For the avoidance of doubt, such releases shall not release any rights of the Supporting Warrantholders (x) vis-à-vis each other to the extent not released in or reserved in any agreement among the Supporting Warrantholders, or (y) under an Acceptable Plan. Also for the avoidance of doubt, Covered Sewer Warrants shall not include any Sewer Warrants that are acquired after the date hereof in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders for which such Supporting Warrantholder does not have the power to bind (“Fiduciary Sewer Warrants”).

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) Each Supporting Warrantholder confirms its intention to purchase a portion of the offering of New Sewer Warrants to the extent necessary and as contemplated in the Plan Term Sheet, subject to execution of a Backstop/Put Agreement containing terms and conditions acceptable to such Supporting Warrantholder and the County (including agreement concerning the terms of the indenture for the New Sewer Warrants), with commitments to be allocated among the Supporting Warrantholders on a pro rata basis based upon the Supporting

Warrantholders' holdings of Eligible Sewer Warrants or on other terms acceptable to each Supporting Warrantholder and the County.

(h) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Supporting Warrantholders or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(i) At any time, a Supporting Warrantholder shall be required to comply with the terms of this Agreement with respect to Covered Sewer Warrants it holds at such time, and not with respect to Sewer Warrants that it has transferred in accordance with Section 3.

(j) Whenever this Agreement provides that any Party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Litigation" shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC rehabilitation proceeding, except for any actions taken in the FGIC rehabilitation proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC rehabilitation proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of any Party to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction), including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of any Party) expose any such Party to liability (contingent or otherwise) or unreimbursed material expense.

(b) The County and each Supporting Warrantholder agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) Each Supporting Warrantholder shall, with respect to all Sewer Warrants held by it, shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 8.

(d) So long as none of this Agreement, the JPMorgan PSA, or the Sewer Warrant Insurer PSA has been terminated, each Supporting Warrantholder shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any Litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring such Supporting Warrantholder’s Covered Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of such Supporting Warrantholder to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and the Majority Eligible Warrantholders (as defined below) (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the

Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Section 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 8 of the Agreement, other than under Section 8(w) of this Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Ownership; Transfers of Sewer Warrants.

(a) Except as otherwise provided, permitted, or exempted in this Section 3, each Supporting Warrantholder, severally, and not jointly, represents, warrants, and covenants that:

(i) such Supporting Warrantholder is the owner of, or advises the accounts that own, the Eligible Sewer Warrants set forth opposite its name on Schedule 1 hereto, and has and shall maintain the power and authority to bind all the legal and beneficial owner(s) of such Eligible Sewer Warrants to the terms of this Agreement;

(ii) such Supporting Warrantholder (a) has and shall maintain full power and authority to execute and deliver its signature page(s) to this Agreement and, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants to accept an Acceptable Plan or (b) has received an irrevocable direction from the party having full power and authority, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants and execute and deliver its signature page(s) to this Agreement;

(iii) none of the Eligible Sewer Warrants constitute Fiduciary Sewer Warrants;

(iv) other than as permitted under this Agreement, its Eligible Sewer Warrants are and shall continue to be free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed; and

(v) such Supporting Warrantholder has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Eligible Sewer Warrants held by such Supporting Warrantholder as of the date hereof that are inconsistent with, or in violation of, the representations and warranties of such Supporting Warrantholder herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Supporting Warrantholder individually covenants that, from the date hereof until the termination of this Agreement, it will not sell, pledge, hypothecate, or otherwise

transfer, assign or dispose of any of its Eligible Sewer Warrants, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”), except (x) to another Supporting Warrantholder (and any such Eligible Sewer Warrants so transferred shall remain Eligible Sewer Warrants) or (y) to a person or entity (a “Transferee”) that as a condition to such Transfer executes and delivers to the County at least three (3) Business Days prior to the settlement of such Transfer an agreement in writing substantially in the form of Exhibit B-1 hereto (a “Transfer Agreement”), pursuant to which such Transferee agrees (i) to become a party to and be bound by all terms of this Agreement applicable to a Supporting Warrantholder as if such Transferee were an original signatory hereto; (ii) to become a party to and be bound by the Backstop/Put Agreement, to the extent such transferring Supporting Warrantholder was so bound in respect of the Eligible Sewer Warrants that are the subject of the Transfer; and (iii) to retain the same counsel and financial advisor that, at the time of the Transfer, are retained by Supporting Warrantholders holding at least a majority of the Eligible Sewer Warrants (the “Majority Eligible Warrantholders”) through appropriate retention documentation with respect to matters concerning the Sewer Warrants or to otherwise abide by the decisions of the Majority Eligible Warrantholders. “Business Day” means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Federal Rule of Bankruptcy Procedure 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order. For the avoidance of doubt, a Supporting Warrantholder’s rights and obligations under this Agreement and the Backstop/Put Agreement (if any) may not be transferred separately and must be transferred together.

(c) Notwithstanding Section 3(b), if a Transferee is a Qualified Marketmaker, then the Supporting Warrantholder making the Transfer shall cause such Transferee to execute and deliver to the County at least three (3) Business Days prior to the settlement of such Transfer a Marketmaker Transfer Agreement substantially in the form of Exhibit B-2 hereto and such Qualified Marketmaker shall cause any subsequent Transferee to execute a Transfer Agreement in the form of Exhibit B-1, to the extent such subsequent Transferee is not a Qualified Marketmaker or a Transfer Agreement substantially in the form of Exhibit B-2 to the extent such Transferee is a Qualified Marketmaker. “Qualified Marketmaker” means an entity that (x) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Sewer Warrants issued by the County or other claims against the County, or enter with customers into positions in Sewer Warrants issued by the County or other claims against the County, in either case in its capacity as a dealer or market maker in Sewer Warrants or other claims against the County; and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers.

(d) This Agreement shall not be construed to preclude any Supporting Warrantholder from acquiring additional Sewer Warrants; *provided, however*, that any additional Sewer Warrants acquired by such Supporting Warrantholder (i) shall be Covered Sewer Warrants but (ii) shall not be Eligible Sewer Warrants unless such warrants were, initially, Eligible Sewer Warrants. For the avoidance of doubt, a Transfer of Covered Sewer Warrants that are not Eligible Sewer Warrants (“Excess Sewer Warrants”) shall not be subject to the transfer restrictions contained in this Section 3 other than during the Excess Warrant Restriction Period (as defined below); *provided, further, however*, that for so long as a Supporting

Warrantholder owns Covered Sewer Warrants, it must otherwise comply with all obligations under this Agreement with respect to such Covered Sewer Warrants.

(e) Notwithstanding anything to the contrary herein, to the extent that Excess Sewer Warrants consist of Sewer Warrants in Series 2003-B-8 with a CUSIP# 472682MP5, 472682MQ3, 472682MR1, or 472682MS9 (“Exempt Excess Sewer Warrants”), the relevant Supporting Warrantholder, solely with respect to such Exempt Excess Sewer Warrants, shall not be required (i) to elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement or (ii) to otherwise comply with the restrictions on transfer in Section 3; *provided, however*, that to the extent that a Supporting Warrantholder who is an original signatory to this Agreement holds any Exempt Excess Sewer Warrants on the Ballot Submission Deadline, such Party shall elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement.

(f) Notwithstanding Section 3(d), for the period beginning on the date on which the Disclosure Statement is approved by the Bankruptcy Court and continuing through and including the date(s) on which a confirmation hearing for an Acceptable Plan is held (the “Excess Warrant Restriction Period”), the Transfer of any Excess Sewer Warrants held by a Supporting Warrantholder or any option, right to acquire, or voting, participation, or other interest therein to any person or entity may be completed only in accordance with Section 3(b) and (c), as though such Excess Sewer Warrants were Eligible Sewer Warrants. On the first date of the Excess Warrant Restriction Period, each Supporting Warrantholder shall provide an update of the relevant portion of Schedule 1 showing such Party’s holdings of Covered Sewer Warrants (including both Eligible Sewer Warrants and Excess Sewer Warrants) to the County and JPMorgan. For the avoidance of doubt, other than during the Excess Warrant Restriction Period, any transfer of Excess Sewer Warrants may be completed without complying with the requirements for Transfers of Eligible Sewer Warrants in Section 3(b) and (c).

(g) No Supporting Warrantholder will create or use any subsidiary or affiliate to evade or attempt to evade the transfer restrictions set forth in this Section 3 or any other obligations set forth in this Agreement. Any attempt by any Supporting Warrantholder to transfer any Sewer Warrants or related rights or interests therein other than in compliance with this Section 3 shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Upon completion of a Transfer in compliance with this Section 3, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of such transferred Covered Sewer Warrants (and relinquished rights and released obligations).

Section 4. Additional County Covenants and Determinations.

(a) The County shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Covered Sewer Warrants to the extent and in the amount that distributions made generally available from the County to holders of Other Warrants (including in respect of the Covered Sewer Warrants) are increased.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Supporting Warrantholders and the other Plan Support Parties) shall be approximately \$1.835 billion, plus the distribution of the Reinstated Interest Payments and Reinstated Principal Payments pursuant to an Acceptable Plan as set forth in the Plan Term Sheet, plus the premium payable under the Backstop/Put Agreement.

(c) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan (in the case of the Sewer Warrant Insurer PSA) of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA or to the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Supporting Warrantholders and to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County represents that the Sewer Warrant Insurer PSA and the JPMorgan PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit C** and **Exhibit D**.

Section 5. Agreements Between the Supporting Warrantholders and JPMorgan.

As a material component of the Supporting Warrantholders' agreement to the transactions described in this Agreement and the Restructuring:

(a) In order to facilitate the various settlements to be implemented pursuant to an Acceptable Plan and the occurrence of the Effective Date, each Supporting Warrantholder hereby agrees (i) subject to Bankruptcy Code sections 1125 and 1126, to elect by the Ballot Submission Deadline the treatment under an Acceptable Plan set forth in Section 3[b] of the Plan Term Sheet in respect of all of its Covered Sewer Warrants (except to the extent provided in Section 3(e)); (ii) conditioned upon and effective as of the Effective Date, (A) to release each

Sewer Warrant Insurer from any claims it may have arising out of or relating to any insurance policies relating to its Covered Sewer Warrants (except to the extent provided in Section 3(e)), and (B) to waive any claims it may have for interest accruing or payable under its Covered Sewer Warrants at any rate other than the rate applicable to such Covered Sewer Warrants prior to the occurrence of an event of default under the Indenture or any Standby Agreement, as applicable; (iii) to comply with Section 2 above; and (iv) to comply with the restrictions on the transfer of its Sewer Warrants set forth in Section 3 above.

(b) Based upon the Supporting Warrantholders' agreements set forth in Section 5(a) above, JPMorgan will on or before the Effective Date, provide irrevocable directions to the County and the Trustee (or "paying agent" under an Acceptable Plan) to reallocate and distribute to each Supporting Warrantholder, instead of JPMorgan (and any of its affiliates holding Sewer Warrants), a portion of the cash recovery on the Sewer Warrants held by JPMorgan (and any such affiliates) under an Acceptable Plan, equal to (x) the principal amount of Eligible Sewer Warrants held by such holder (subject to Section 5(c) below) multiplied by (y) 3.46%; *provided, however*, that any increase in distributions made generally available from the County to holders of Other Warrants (including in respect of the Eligible Sewer Warrants) in excess of the amount set forth in part [b] of Section 3 of the Plan Term Sheet shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Eligible Sewer Warrants, and shall correspondingly reduce the amount of the JPMorgan reallocation to the benefited Supporting Warrantholders in respect of their Eligible Sewer Warrants pursuant to this Section 5(b); *provided, further, however*, that the aggregate JPMorgan reallocation to Supporting Warrantholders shall not be reduced below \$4 million.

(c) Each Supporting Warrantholder shall certify in writing to the County and JPMorgan no later than the third Business Day after the record date for distributions pursuant to the Acceptable Plan the amount of Eligible Sewer Warrants held by such Supporting Warrantholder as of such record date, *provided that*, for purposes of the reallocation pursuant to Section 5(b) above, the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 on the date of execution of this Agreement, and the aggregate amount of such reallocation shall not exceed the product of such total set forth on Schedule 1 multiplied by the percentage referenced in Section 5(b) above.

(d) Each of the Supporting Warrantholders' agreement to provide the releases and waivers as set forth in Section 5(a)(ii)(A) and (B) shall be conditioned on the continued effectiveness of this Agreement and the JPMorgan PSA, and compliance by JPMorgan with all of its obligations under or contemplated by this Agreement.

(e) JPMorgan's obligation to reallocate to the Supporting Warrantholders pursuant to Section 5(b) above a portion of JPMorgan's cash distributions under an Acceptable Plan on account of the Sewer Warrants held by JPMorgan (and any of its affiliates holding Sewer Warrants) shall be subject to Section 5(c) above and conditioned upon confirmation of an Acceptable Plan and the occurrence of the Effective Date, approval by the Bankruptcy Court of such reallocation by JPMorgan to the Supporting Warrantholders pursuant to Section 5(b) above, receipt by JPMorgan (and any such affiliates) of an indefeasible cash recovery on the Effective Date of not less than the amount set forth in the JPMorgan PSA, plus all Reinstated Interest Payments and any Reinstated Principal Payments, which amount shall be after giving effect to all

other concessions by JPMorgan pursuant to or in furtherance of an Acceptable Plan and such reallocation pursuant to Section 5(b) above, the continued effectiveness of this Agreement, the Backstop/Put Agreement and the JPMorgan PSA, and compliance by all Supporting Warrantholders with all of their obligations under or contemplated by this Agreement and the Backstop/Put Agreement.

Section 6. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party (pursuant to Section 5 hereof, in the case of JPMorgan), including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 7. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this

Agreement has not been terminated in accordance with Section 8, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 8.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 8.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Majority Eligible Warrantholders (and, in relation to the matters addressed in Section 5 hereof, JPMorgan);

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the deadline set forth in Section 8.1(o)(v) of this Agreement;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

(b) In connection with the agreement of the Supporting Warrantholders to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 8, each of the Supporting Warrantholders shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

Section 8. Termination & Default.

8.1 Events of Termination & Default.

(a) The County, JPMorgan, and the Majority Eligible Warrantholders may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a "Market Shift"), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Majority Eligible Warrantholders, JPMorgan, or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County's control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice

have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(e) If the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the "Standstill Date"), then the Majority Eligible Warrantholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) the Majority Eligible Warrantholders, JPMorgan, or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then the Majority Eligible Warrantholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Supporting Warrantholder materially breaches this Agreement (a “Breaching Warrantholder”) and such breach is not remedied, either by the Breaching Warrantholder or by one or more Supporting Warrantholders who have purchased the Covered Sewer Warrants held by the Breaching Warrantholder (or an equivalent amount of replacement Sewer Warrants of like series, type, and insurer, as applicable, which replacement warrants shall thereafter be treated as Covered Sewer Warrants or Eligible Sewer Warrants to the same extent as the replaced warrants were Covered Sewer Warrants or Eligible Sewer Warrants), within fifteen (15) calendar days of receiving written notice thereof from JPMorgan or the County to each Party or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by a Supporting Warrantholder, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by the County, then either JPMorgan or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan (but only if such modification adversely affects a right, obligation, or interest of such Party), and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of the Majority Eligible Warrantholders or JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the Supporting Warrantholders or JPMorgan, as applicable, under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, but only if such action adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If JPMorgan or any of the Supporting Warrantholders files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then

the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants, the Supporting Warrantholders, or JPMorgan (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court on or prior to July 1, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement on or prior to August 30, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; or

(v) the Effective Date shall not have occurred on or prior to December 20, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; *provided, however*, that such date may not be extended beyond December 31, 2013 (the "Outside Date");

then, in each case, the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If JPMorgan materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by JPMorgan, then either the County or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(q) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders, without the written consent of each affected Supporting Warrantholder) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders or JPMorgan, without the written consent of each affected Party) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(t) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County, the Majority Eligible Warrantholders, and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County, the Majority Eligible Warrantholders, and JPMorgan, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(u) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(v) If the County amends the Financing Plan in any material respect without the written approval of the Majority Eligible Warranholders and JPMorgan and does not rescind such amendment or obtain the written approval of the Majority Eligible Warranholders and JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from the Majority Eligible Warranholders or JPMorgan (which written notice must be provided by the Majority Eligible Warranholders or JPMorgan, as applicable, within seven (7) calendar days after the County provides the notice required by Section 4(d)), then either JPMorgan or the Majority Eligible Warranholders, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(w) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (w) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a “Trigger Event.”

8.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 8.2(a) shall only apply to Sections 8.1(b)-(d), (f)-(m), (p), (s), (t), and (v), and a Trigger Event under all other clauses of Section 8.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 8.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 8.1(b)-(c), (g)-(m), (p), (t), and (v), and not the other Trigger Events in Section 8.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 8.2(c) shall prejudice any Party’s rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

8.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure

of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 8.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

8.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 8.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 9.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 8.1 (other than a termination under Section 8.1(w)), any and all ballots with respect to an Acceptable Plan delivered by each Supporting Warrantholder prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 8.1(w), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 9.10) shall be fully reserved.

Section 9. Miscellaneous Terms.

9.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Supporting Warrantholder or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Sewer Warrant Insurer, any other Supporting Warrantholder, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

9.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

9.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County, JPMorgan, and all of the Supporting Warrantholders listed on Schedule 1 as of the date hereof. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without

constituting a Trigger Event except as provided in Section 8.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

9.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

9.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE “CHOICE OF LAW” PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

9.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the JPMorgan PSA and certain agreements among the Supporting Warranholders, this Agreement, together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by (x) the County, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of the County; (y) JPMorgan, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of JPMorgan; and (z) the Majority Eligible Warranholders, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of all Supporting Warranholders; *provided*, that (i) any modification of, or amendment or supplement to, this Agreement that has a disproportionate material adverse effect on any Supporting Warranholder shall require the written consent of such Supporting Warranholder so affected; (ii) any modification of, or amendment or supplement to, the consideration payable to the Supporting Warranholders (other than an increase in the consideration payable thereto in accordance with the Plan Term Sheet, which such increases shall not require the written consent of such affected

Supporting Warrantholders); (iii) any modification of, or amendment or supplement to, this Agreement that imposes additional obligations, cost or liability on a Party shall require the written consent of the Party so affected; and (iv) any modification of, or amendment or supplement to, this Section 9.6(c) or the Outside Date shall require the written consent of all Parties.

(d) Other than waivers contemplated by Section 8.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

9.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

9.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

9.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

9.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 9.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 9.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

9.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

9.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Supporting Warrantholder hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. Neither the execution nor delivery of this Agreement by the Supporting Warrantholders, nor the terms and conditions contained herein, shall provide a basis for the establishment or formation of a "group" under section 13(d)(3) of the Securities Exchange Act of 1934, as amended. Each Supporting Warrantholder disclaims the beneficial ownership of any securities of the County held by any other Supporting Warrantholder and its affiliates. It is understood and agreed that no Supporting Warrantholder has any duty of trust or confidence in any form with any other Supporting Warrantholder. In this regard, it is understood and agreed that, subject to Section 3, any Supporting Warrantholder may trade in the Sewer Warrants or other debt securities of the County without the consent of the County or JPMorgan, as the case may be, or any other Supporting Warrantholder, subject to all applicable securities laws and the terms of this Agreement; *provided, further*, that no Supporting Warrantholder shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Supporting Warrantholders shall in any way affect or negate this understanding and agreement.

9.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babbc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to JPMorgan:

JPMorgan Chase Bank, N.A.
383 Madison Avenue

New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

If to Supporting Warrantholders:

At the addresses set forth in the signature pages hereto or set forth in a Transfer Agreement

-and-

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Thomas Moers Mayer, Esq.; Elan Daniels, Esq.
Facsimile: (212) 715-8169
Email: tmayer@kramerlevin.com; edaniels@kramerlevin.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 9.13.

9.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 8.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(y), 8.3, 8.4, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.9, 9.10, 9.11, 9.12, 9.13, 9.15, 9.16, 9.17, and this Section 9.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

9.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency

between any provision of this Agreement and Section 3 of the Plan Term Sheet, Section 3 of the Plan Term Sheet shall control.

9.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

9.17 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMorgan Chase Bank, N.A.

By:
Its:

[Signature pages for each Supporting Warrantholder follow separately below]

Schedule 1

Eligible Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KA0	\$19,375,000.00
Claren Road Credit Master Fund, LTD.	472682KA0	\$1,875,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KA0	\$800,000.00
Emerald Eagle Holdings South, L.L.C.	472682KA0	\$2,437,875.00
Emerald Eagle Holdings, L.L.C.	472682KA0	\$1,237,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KA0	\$45,000.00
Monarch Capital Master Partners II LP	472682KA0	\$99,000.00
Monarch Capital Master Partners II-A LP	472682KA0	\$143,000.00
Monarch Capital Master Partners LP	472682KA0	\$93,000.00
Monarch Cayman Fund Limited	472682KA0	\$88,000.00
Monarch Debt Recovery Master Fund Ltd	472682KA0	\$1,241,000.00
Monarch Opportunities Master Fund Ltd	472682KA0	\$1,448,000.00
Oakford MF Limited	472682KA0	\$221,000.00
P Monarch Recovery LTD	472682KA0	\$122,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KB8	\$16,125,000.00
Claren Road Credit Master Fund, LTD.	472682KB8	\$425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KB8	\$200,000.00
Emerald Eagle Holdings South, L.L.C.	472682KB8	\$166,250.00
Emerald Eagle Holdings, L.L.C.	472682KB8	\$83,750.00
Monarch Alternative Solutions Master Fund Ltd	472682KB8	\$51,000.00
Monarch Capital Master Partners II LP	472682KB8	\$19,000.00
Monarch Capital Master Partners II-A LP	472682KB8	\$159,000.00
Monarch Capital Master Partners LP	472682KB8	\$70,000.00
Monarch Cayman Fund Limited	472682KB8	\$99,000.00
Monarch Debt Recovery Master Fund Ltd	472682KB8	\$1,406,000.00
Monarch Opportunities Master Fund Ltd	472682KB8	\$455,000.00
Oakford MF Limited	472682KB8	\$16,000.00
P Monarch Recovery LTD	472682KB8	\$250,000.00
Claren Road Credit Master Fund, LTD.	472682KC6	\$950,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Opportunities Master Fund, LTD.	472682KC6	\$400,000.00
Emerald Eagle Holdings South, L.L.C.	472682KC6	\$256,875.00
Emerald Eagle Holdings, L.L.C.	472682KC6	\$118,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KC6	\$751,000.00
Monarch Capital Master Partners II LP	472682KC6	\$329,000.00
Monarch Capital Master Partners II-A LP	472682KC6	\$2,237,000.00
Monarch Capital Master Partners LP	472682KC6	\$2,185,000.00
Monarch Cayman Fund Limited	472682KC6	\$1,290,000.00
Monarch Debt Recovery Master Fund Ltd	472682KC6	\$8,565,000.00
Monarch Opportunities Master Fund Ltd	472682KC6	\$3,733,000.00
Oakford MF Limited	472682KC6	\$485,000.00
P Monarch Recovery LTD	472682KC6	\$1,125,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682KC6	\$9,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KD4	\$10,100,000.00
Emerald Eagle Holdings South, L.L.C.	472682KD4	\$6,788,500.00
Emerald Eagle Holdings, L.L.C.	472682KD4	\$3,636,500.00
Monarch Alternative Solutions Master Fund Ltd	472682KD4	\$127,000.00
Monarch Capital Master Partners II LP	472682KD4	\$41,000.00
Monarch Capital Master Partners II-A LP	472682KD4	\$414,000.00
Monarch Capital Master Partners LP	472682KD4	\$613,000.00
Monarch Cayman Fund Limited	472682KD4	\$190,000.00
Monarch Debt Recovery Master Fund Ltd	472682KD4	\$2,671,000.00
Monarch Opportunities Master Fund Ltd	472682KD4	\$491,000.00
Oakford MF Limited	472682KD4	\$71,000.00
P Monarch Recovery LTD	472682KD4	\$232,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KH5	\$16,525,000.00
Claren Road Credit Master Fund, LTD.	472682KH5	\$18,675,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KH5	\$8,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682KH5	\$9,560,000.00
Emerald Eagle Holdings, L.L.C.	472682KH5	\$5,140,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LH4	\$8,925,000.00
Emerald Eagle Holdings South, L.L.C.	472682LH4	\$3,661,125.00
Emerald Eagle Holdings, L.L.C.	472682LH4	\$2,038,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LH4	\$13,275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LH4	\$168,000.00
Monarch Capital Master Partners II LP	472682LH4	\$19,000.00
Monarch Capital Master Partners II-A LP	472682LH4	\$757,000.00
Monarch Capital Master Partners LP	472682LH4	\$125,000.00
Monarch Cayman Fund Limited	472682LH4	\$666,000.00
Monarch Debt Recovery Master Fund Ltd	472682LH4	\$4,659,000.00
Monarch Opportunities Master Fund Ltd	472682LH4	\$1,376,000.00
Oakford MF Limited	472682LH4	\$93,000.00
P Monarch Recovery LTD	472682LH4	\$187,000.00
Emerald Eagle Holdings South, L.L.C.	472682LJ0	\$2,130,000.00
Emerald Eagle Holdings, L.L.C.	472682LJ0	\$1,045,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LJ0	\$275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LJ0	\$84,000.00
Monarch Capital Master Partners II LP	472682LJ0	\$23,000.00
Monarch Capital Master Partners II-A LP	472682LJ0	\$272,000.00
Monarch Capital Master Partners LP	472682LJ0	\$363,000.00
Monarch Cayman Fund Limited	472682LJ0	\$217,000.00
Monarch Debt Recovery Master Fund Ltd	472682LJ0	\$2,323,000.00
Monarch Opportunities Master Fund Ltd	472682LJ0	\$460,000.00
Oakford MF Limited	472682LJ0	\$83,000.00
P Monarch Recovery LTD	472682LJ0	\$125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LK7	\$20,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682LK7	\$3,559,375.00
Emerald Eagle Holdings, L.L.C.	472682LK7	\$1,765,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LK7	\$1,100,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LK7	\$71,000.00
Monarch Capital Master Partners II LP	472682LK7	\$28,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682LK7	\$232,000.00
Monarch Capital Master Partners LP	472682LK7	\$398,000.00
Monarch Cayman Fund Limited	472682LK7	\$144,000.00
Monarch Debt Recovery Master Fund Ltd	472682LK7	\$1,992,000.00
Monarch Opportunities Master Fund Ltd	472682LK7	\$643,000.00
Oakford MF Limited	472682LK7	\$91,000.00
P Monarch Recovery LTD	472682LK7	\$176,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LL5	\$1,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682LL5	\$3,360,125.00
Emerald Eagle Holdings, L.L.C.	472682LL5	\$1,664,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LL5	\$5,650,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LL5	\$353,000.00
Monarch Capital Master Partners II LP	472682LL5	\$168,000.00
Monarch Capital Master Partners II-A LP	472682LL5	\$1,357,000.00
Monarch Capital Master Partners LP	472682LL5	\$695,000.00
Monarch Cayman Fund Limited	472682LL5	\$2,057,000.00
Monarch Debt Recovery Master Fund Ltd	472682LL5	\$2,166,000.00
Monarch Opportunities Master Fund Ltd	472682LL5	\$1,432,000.00
Oakford MF Limited	472682LL5	\$522,000.00
P Monarch Recovery LTD	472682LL5	\$550,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LM3	\$11,200,000.00
Emerald Eagle Holdings South, L.L.C.	472682LM3	\$9,533,305.00
Emerald Eagle Holdings, L.L.C.	472682LM3	\$5,326,695.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LM3	\$12,350,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LM3	\$166,000.00
Monarch Capital Master Partners II LP	472682LM3	\$33,000.00
Monarch Capital Master Partners II-A LP	472682LM3	\$723,000.00
Monarch Capital Master Partners LP	472682LM3	\$654,000.00
Monarch Cayman Fund Limited	472682LM3	\$606,000.00
Monarch Debt Recovery Master Fund Ltd	472682LM3	\$4,686,000.00
Monarch Opportunities Master Fund Ltd	472682LM3	\$1,928,000.00
Oakford MF Limited	472682LM3	\$205,000.00
P Monarch Recovery LTD	472682LM3	\$224,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682LN1	\$35,589,820.76
Emerald Eagle Holdings South, L.L.C.	472682LT8	\$12,500,000.00
Emerald Eagle Holdings, L.L.C.	472682LT8	\$7,500,000.00
Fundamental Partners II LP	472682LT8	\$17,500,000.00
Fundamental Partners LP	472682LT8	\$17,500,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LT8	\$12,910,420.86
Emerald Eagle Holdings South, L.L.C.	472682MD2	\$253,450.00
Emerald Eagle Holdings, L.L.C.	472682MD2	\$116,550.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NA7	\$9,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682NA7	\$6,505,625.00
Emerald Eagle Holdings, L.L.C.	472682NA7	\$3,369,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NA7	\$4,175,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NA7	\$21,000.00
Monarch Capital Master Partners II-A LP	472682NA7	\$203,000.00
Monarch Cayman Fund Limited	472682NA7	\$254,000.00
Monarch Debt Recovery Master Fund Ltd	472682NA7	\$607,000.00
Monarch Opportunities Master Fund Ltd	472682NA7	\$774,000.00
Oakford MF Limited	472682NA7	\$41,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NB5	\$2,500,000.00
Claren Road Credit Master Fund, LTD.	472682NB5	\$1,200,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NB5	\$525,000.00
Emerald Eagle Holdings South, L.L.C.	472682NB5	\$10,186,625.00
Emerald Eagle Holdings, L.L.C.	472682NB5	\$5,163,375.00
Monarch Alternative Solutions Master Fund Ltd	472682NB5	\$84,000.00
Monarch Capital Master Partners II LP	472682NB5	\$286,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682NB5	\$1,022,000.00
Monarch Cayman Fund Limited	472682NB5	\$422,000.00
Monarch Debt Recovery Master Fund Ltd	472682NB5	\$1,412,000.00
Monarch Opportunities Master Fund Ltd	472682NB5	\$1,370,000.00
Oakford MF Limited	472682NB5	\$57,000.00
P Monarch Recovery LTD	472682NB5	\$172,000.00
Emerald Eagle Holdings South, L.L.C.	472682NC3	\$330,000.00
Emerald Eagle Holdings, L.L.C.	472682NC3	\$170,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NC3	\$375,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NC3	\$108,000.00
Monarch Capital Master Partners II LP	472682NC3	\$49,000.00
Monarch Capital Master Partners II-A LP	472682NC3	\$350,000.00
Monarch Capital Master Partners LP	472682NC3	\$992,000.00
Monarch Cayman Fund Limited	472682NC3	\$216,000.00
Monarch Debt Recovery Master Fund Ltd	472682NC3	\$3,040,000.00
Monarch Opportunities Master Fund Ltd	472682NC3	\$1,217,000.00
Oakford MF Limited	472682NC3	\$227,000.00
P Monarch Recovery LTD	472682NC3	\$151,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NC3	\$250,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682ND1	\$2,000,000.00
Claren Road Credit Master Fund, LTD.	472682ND1	\$8,250,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682ND1	\$3,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682ND1	\$2,129,375.00
Emerald Eagle Holdings, L.L.C.	472682ND1	\$995,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682ND1	\$2,800,000.00
Monarch Alternative Solutions Master Fund Ltd	472682ND1	\$48,000.00
Monarch Capital Master Partners II LP	472682ND1	\$241,000.00
Monarch Capital Master Partners II-A LP	472682ND1	\$153,000.00
Monarch Capital Master Partners LP	472682ND1	\$436,000.00
Monarch Cayman Fund Limited	472682ND1	\$319,000.00
Monarch Debt Recovery Master Fund Ltd	472682ND1	\$1,334,000.00
Monarch Opportunities Master Fund Ltd	472682ND1	\$3,759,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Oakford MF Limited	472682ND1	\$596,000.00
P Monarch Recovery LTD	472682ND1	\$64,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NE9	\$2,700,000.00
Emerald Eagle Holdings South, L.L.C.	472682NE9	\$4,410,625.00
Emerald Eagle Holdings, L.L.C.	472682NE9	\$2,239,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NE9	\$4,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NF6	\$35,000,000.00
Claren Road Credit Master Fund, LTD.	472682NF6	\$3,500,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NF6	\$1,500,000.00
Emerald Eagle Holdings South, L.L.C.	472682NF6	\$12,950,000.00
Emerald Eagle Holdings, L.L.C.	472682NF6	\$7,050,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NF6	\$2,500,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NF6	\$10,000,000.00
Claren Road Credit Master Fund, LTD.	472682NG4	\$14,425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NG4	\$6,200,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NG4	\$7,325,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NG4	\$336,000.00
Monarch Capital Master Partners II LP	472682NG4	\$65,000.00
Monarch Capital Master Partners II-A LP	472682NG4	\$1,282,000.00
Monarch Cayman Fund Limited	472682NG4	\$791,000.00
Monarch Debt Recovery Master Fund Ltd	472682NG4	\$3,797,000.00
Monarch Opportunities Master Fund Ltd	472682NG4	\$3,455,000.00
Oakford MF Limited	472682NG4	\$197,000.00
P Monarch Recovery LTD	472682NG4	\$577,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NH2	\$39,850,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Master Fund, LTD.	472682NH2	\$6,925,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NH2	\$2,975,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NH2	\$15,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682NJ8	\$34,250.00
Emerald Eagle Holdings, L.L.C.	472682NJ8	\$15,750.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NJ8	\$225,000.00
Monarch Capital Master Partners II LP	472682NJ8	\$2,000.00
Monarch Debt Recovery Master Fund Ltd	472682NJ8	\$6,000.00
Monarch Opportunities Master Fund Ltd	472682NJ8	\$62,000.00
P Monarch Recovery LTD	472682NJ8	\$30,000.00
Emerald Eagle Holdings South, L.L.C.	472682NK5	\$68,500.00
Emerald Eagle Holdings, L.L.C.	472682NK5	\$31,500.00
Monarch Capital Master Partners II LP	472682NK5	\$1,000.00
Monarch Debt Recovery Master Fund Ltd	472682NK5	\$2,000.00
Monarch Opportunities Master Fund Ltd	472682NK5	\$15,000.00
P Monarch Recovery LTD	472682NK5	\$7,000.00
Red Mountain Holdings LLC	472682PJ6	\$4,918,002.82
Red Mountain Holdings LLC	472682PJ6	\$1,448,295.26
Red Mountain Holdings LLC	472682PJ6	\$674,970.72
Red Mountain Holdings LLC	472682PJ6	\$5,118,831.65
Red Mountain Holdings LLC	472682PJ6	\$29,015,611.89
Red Mountain Holdings LLC	472682PJ6	\$16,501,131.27
Red Mountain Holdings LLC	472682PJ6	\$1,940,704.55
Red Mountain Holdings LLC	472682PJ6	\$2,236,623.73
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PL1	\$30,000,000.00
Monarch Alternative Solutions Master Fund Ltd	472682PL1	\$1,534,000.00
Monarch Capital Master Partners II-A LP	472682PL1	\$4,886,000.00
Monarch Debt Recovery Master Fund Ltd	472682PL1	\$15,218,947.00
Monarch Opportunities Master Fund Ltd	472682PL1	\$9,350,000.00
Monarch Research Alpha Master Fund Ltd	472682PL1	\$1,368,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
P Monarch Recovery LTD	472682PL1	\$1,298,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682PL1	\$30,000,000.60
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PM9	\$31,770,000.00

Excess Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and together with all schedules or exhibits hereto, this "Agreement"), dated as of June 27, 2013, is made and entered into by and among Jefferson County, Alabama (the "County"), on the one hand, and The Bank of Nova Scotia ("Scotia Bank"), The Bank of New York Mellon in its capacity as a liquidity bank with respect to Sewer Warrants (as defined below) and not in any other capacity ("BNY"), and State Street Bank and Trust Company ("State Street" and collectively with Scotia Bank and BNY, the "Liquidity Banks"), on the other hand. Each of the Liquidity Banks and the County are referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "Indenture"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "Trustee"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "Sewer Warrants");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "Standby Agreement"), including a separate Standby Agreement with each of Scotia Bank, BNY, and State Street;

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy 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");

WHEREAS, each of the Liquidity Banks has filed claims in the Bankruptcy Case against the County asserting rights to be paid various amounts arising from or in connection with the Sewer Warrants and the respective Standby Agreement, including (i) on account of interest that is alleged to have accrued on the Liquidity Banks' Bank Warrants at a "default" rate; and (ii) all Bank Warrant Claims and (to the extent not otherwise included) Primary Standby Sewer Warrant Claims, in each case as such terms are defined in the Current Plan (as defined below) (collectively and with any and all other claims of the Liquidity Banks, whatever the origin or nature, the "Liquidity Bank Claims");

WHEREAS, the County disputes the Liquidity Banks' entitlements with respect to certain of the Liquidity Bank Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the Liquidity Banks dispute the County's contentions and assert that the Liquidity Bank Claims are valid and allowable in all respects;

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction (a "Restructuring") in accordance with the terms and conditions of a chapter 9 plan substantially in the form attached hereto as **Exhibit A** (the "Current Plan")¹ or pursuant to Another Acceptable Plan (as defined below);

WHEREAS, the County previously entered into (i) a plan support agreement dated as of June 6, 2013 (the "JPMorgan PSA") with JPMorgan Chase Bank, N.A., JPMorgan Chase Funding, Inc., and J.P. Morgan Securities LLC (collectively, the "JPMorgan Parties"); (ii) a plan support agreement dated as of June 6, 2013 (the "Supporting Sewer Warrantholder PSA") with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Sewer Warrantholders"); and (iii) a plan support agreement dated as of June 6, 2013 (the "Sewer Warrant Insurer PSA") with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. ("Assured"), Financial Guaranty Insurance Company ("FGIC"), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. ("Syncora"), each of which is referred to as a "Sewer Warrant Insurer" and collectively with the Liquidity Banks, the JPMorgan Parties, and the Supporting Sewer Warrantholders are the "Sewer Plan Support Parties";

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall file and exercise all reasonable efforts to expeditiously prosecute, confirm, and consummate a chapter 9 plan of adjustment that is an Acceptable Plan. An "Acceptable Plan" means either (i) the Current Plan; or (ii) any other chapter 9 plan of adjustment that otherwise complies with the terms of this Agreement 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 Bank Claims, namely, in full, final, and complete settlement, satisfaction, release, and exchange of all such Liquidity Bank Claims and of all of

¹ All capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to such terms in the Current Plan.

each Liquidity Bank's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies), payment in the aggregate an amount equal to the sum of: (1) 80% of the Adjusted Sewer Warrant Principal Amount of the Liquidity Banks' Bank Warrants (which Adjusted Sewer Warrant Principal Amounts are set forth in Section 3(a) of this Agreement); (2) all non-default rate interest accrued and unpaid on the amount in clause (1) at the "Bank Rate" set forth in the Standby Agreements through and including the Effective Date; and (3) an aggregate Bank Warrant Default Interest Settlement Payment of \$2,764,296.75 in exchange for a release and waiver of Bank Warrant Default Interest Claims asserted in an aggregate amount in excess of \$20 million (such sum of (1), (2), and (3), the "Aggregate Plan Consideration"), and provides for mutual releases with the other Sewer Released Parties (any such other chapter 9 plan, "Another Acceptable Plan").

(b) The County shall exercise all reasonable efforts to meet the deadlines set forth in Section 7.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(c) The County shall provide to the professionals representing the Liquidity Banks (the "LB Professionals") draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The LB Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the "Disclosure Statement"), and an order confirming an Acceptable Plan (the "Confirmation Order"), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and acceptable to the Parties.

(d) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement (as defined below) or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(e) The County shall 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 is an Acceptable Plan.

(f) Each of the Liquidity Banks shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all Liquidity Bank Claims to accept an Acceptable Plan, make the Commutation Election with respect to all Liquidity Bank Claims, and not change or withdraw (or cause to be changed or withdrawn) such vote or election except pursuant to Section 7.4; and (iii) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of all Sewer

Released Parties and receive a release from all Sewer Released Parties in accordance with an Acceptable Plan. For the avoidance of doubt, such releases shall not release any rights of the Liquidity Banks under this Agreement or an Acceptable Plan.

(g) No Party will contest any other Party's ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(h) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Liquidity Banks or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(c). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(i) If the County amends the Current Plan to increase the percentage of consideration payable by the County under "Option 1" for Class 1-A (or any analogous class or subclass), then the County will amend the Current Plan at the same time to provide a corresponding increase in the percentage of consideration payable by the County under "Option 1" for Class 1-B (or any analogous class or subclass).

(j) Whenever this Agreement provides that any Party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Litigation" shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-

00149-TBB; (x) the FGIC rehabilitation proceeding, except for any actions taken in the FGIC rehabilitation proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC rehabilitation proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(g).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill”), the Liquidity Banks providing all reasonable support to the County to achieve such Litigation Standstill, but shall exclude (x) any obligation of any Party to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction), including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of any Party) expose any such Party to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Sewer Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Sewer Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The Liquidity Banks shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 7.

Section 3. Representations and Covenants Regarding Claims.

(a) Scotia Bank represents that as of the date of this Agreement, Scotia Bank owns Bank Warrants in the principal amount of \$47,664,770.54 and retains all rights to vote any claims arising from or related to such Bank Warrants to accept an Acceptable Plan. BNY represents that as of the date of this Agreement, BNY owns Bank Warrants in the principal amount of \$32,334,711.60 and retains all rights to vote any claims arising from or related to such Bank Warrants to accept an Acceptable Plan. State Street represents that as of the date of this Agreement, State Street owns Bank Warrants in the principal amount of \$58,215,355.74 and retains all rights to vote any claims arising from or related to such Bank Warrants to accept an Acceptable Plan.

(b) Each Liquidity Bank represents that as of the date of this Agreement, it has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Liquidity Bank Claims held by such Liquidity Bank that are inconsistent with, or in violation of, the representations and warranties of such Liquidity Bank herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Liquidity Bank's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(c) Each Liquidity Bank covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement, it will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of its Liquidity Bank Claims (including any Sewer Warrants), or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a "Transfer"). Any attempt to Transfer any Liquidity Bank Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*.

(d) This Agreement shall in no way be construed to preclude any Liquidity Bank from acquiring additional Sewer Warrants or any claims directly related thereto; *provided, however*, that any additional Sewer Warrants or claims against the County directly related thereto so acquired by any Liquidity Bank shall automatically be deemed to be subject to the terms of this Agreement, including the voting requirements set forth in Section 1 hereof.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the financing plan preliminarily approved by the County Commission on June 4, 2013 (the "Financing Plan"), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Sewer Plan Support Parties) shall be approximately \$1.835 billion, plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan.

(b) The County shall provide written notice to the Liquidity Banks of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA, the Supporting Sewer Warrantholder PSA, the Sewer Warrant Insurer PSA, or any future plan

support agreement between the County and a sewer creditor within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Liquidity Banks under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(c) The County shall provide written notice to the Liquidity Banks of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the Liquidity Banks), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the Liquidity Banks), and the approval by the County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Liquidity Banks;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to December 31, 2013 (the "Outside Date");

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(c); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

(b) In connection with the agreement of the Liquidity Banks to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, each of the Liquidity Banks shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability or its inapplicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(c); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

Section 7. Termination & Default.

7.1. Events of Termination & Default.

(a) The County and the Liquidity Banks may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or any of the Liquidity Banks may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a "Market Shift"), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Structure.

(c) If any of the Liquidity Banks or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County, as a result of events outside the County's control (which notice shall specify the basis for such

determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then any of the Liquidity Banks or the County may terminate this Agreement by written notice to each other Party.

(e) If the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then any of the Liquidity Banks or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the "Standstill Date"), then any of the Liquidity Banks or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Sewer Plan Support Party, the Trustee, or any other party against the County, against any Sewer Plan Support Party, or against the Trustee after the Standstill Date, then (x) any of the Liquidity Banks or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-

prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then any of the Liquidity Banks or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Liquidity Bank materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County or any non-breaching Liquidity Bank, then, subject to such Party's rights under Section 7.2(a), the County or any non-breaching Liquidity Bank may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then any of the Liquidity Banks, but only if such breach adversely affects a right, obligation, or interest of such Liquidity Bank, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Liquidity Banks may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of any of the Liquidity Banks, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the applicable Liquidity Bank under this Agreement or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from any Liquidity Bank, then any of the Liquidity Banks, but only if such action adversely affects a right, obligation, or interest of such Liquidity Bank, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If any of the Liquidity Banks files any motion or pleading that, in the reasonable judgment of the County or any other Liquidity Bank, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County or any other Liquidity Bank under this Agreement or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County or any other Liquidity Bank, then the County or any other Liquidity Bank may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the Liquidity Bank Claims, any Standby Agreement, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants, any Standby Agreement, or the Liquidity Banks (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Liquidity Banks may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then the County or any of the Liquidity Banks may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by the Liquidity Banks in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement by August 30, 2013, unless such date is extended by the Liquidity Banks in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by the Liquidity Banks in their sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by the Liquidity Banks in their sole and absolute discretion;

then, in each case, any of the Liquidity Banks may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If the JPMorgan PSA shall have been terminated or is no longer in full force and effect, then the County or any of the Liquidity Banks may by written notice to each other Party terminate this Agreement at any time thereafter.

(q) If the Supporting Sewer Warrantholder PSA shall have been terminated or is no longer in full force and effect, then the County or any of the Liquidity Banks may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated or is no longer in full force and effect, then the County or any of the Liquidity Banks may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If any other plan support agreement entered into by the County with respect to the Sewer Warrants shall have been terminated or is no longer in full force and effect, then the County or any of the Liquidity Banks may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then the County or any of the Liquidity Banks may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(u) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and the Liquidity Banks on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and the Liquidity Banks, then the County or any of the Liquidity Banks may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(v) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(w) If the County amends the Financing Plan in any material respect without the written approval of each Liquidity Bank and does not rescind such amendment or obtain the written approval of each Liquidity Bank regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from one or more of the Liquidity Banks (which written notice must be provided by the applicable Liquidity Bank within seven (7) calendar days after the County provides the notice required by Section 4(c)), then any of the Liquidity Banks may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(x) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (x) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2. Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(m), (s), (t), (u) and (w), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(m), (s), (t), (u) and (w), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3. Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4. Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(x)), any and all ballots with respect to an Acceptable Plan or the Commutation Election delivered by each Liquidity Bank prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or

otherwise used in any manner. For the avoidance of doubt, termination of this Agreement in accordance with Section 7 of this Agreement as to one of the Liquidity Banks will result in a termination of this Agreement as to all of the Liquidity Banks. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(x), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement was never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Liquidity Bank or its officers or representatives from engaging in discussions with or among any or all of: the County, the JPMorgan Parties, any Supporting Sewer Warrantholder, any Sewer Warrant Insurer, any other Liquidity Bank, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once (i) duly executed by the County after being duly approved by the County Commission and (ii) duly executed by each of the Liquidity Banks. Notwithstanding the foregoing, the treatment under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement unless the deletion of such provision results in the Plan no longer being an Acceptable Plan.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE “CHOICE OF LAW” PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) This Agreement, together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and each Liquidity Bank.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their

representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that, except as provided in Section 4(a), any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind and no act or agreement in furtherance of the provisions hereof shall be construed in any way as an admission of fault, wrongdoing, or liability on the part of any Party; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Liquidity Bank hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. It is understood and agreed that no Liquidity Bank has any duty of trust or confidence in any form with any other Liquidity Bank.

8.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.

Facsimile: (205) 521-8500
Email: pdarby@babco.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to Scotia Bank:

The Bank of Nova Scotia
One Liberty Plaza
New York, New York 10006
Attn: Steven S. Kerr
Facsimile: (212) 225-5166
Email: steven_kerr@scotiacapital.com

-and-

Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603
Attn: James E. Spiotto
Facsimile: (312) 516-1900
Email: spiotto@chapman.com

If to BNY:

Edward J. DeSalvio
Managing Director
The Bank of New York Mellon
One Wall Street – 16th Floor
New York, NY 10286
Fax: 212-635-7290
E-mail: edward.desalvio@bnymellon.com

If to State Street:

State Street Corporation
One Lincoln Street – SFC5
Boston, MA 02111
Attn: Timothy L. Batler

Facsimile: (617) 350-4020
Email: tlbattler@statestreet.com

-and-

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Attn: William W. Kannel
Facsimile: (617) 542 2241
Email: wkannel@mintz.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.13.

8.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.13, 8.15, 8.16, and this Section 8.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.15 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

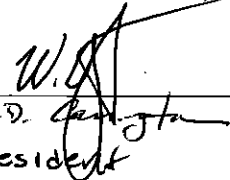
8.16 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA


By: W.D. [unclear]
Its: President

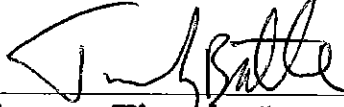
THE BANK OF NOVA SCOTIA

By: _____
Its: _____

THE BANK OF NEW YORK MELLON

By: _____
Its: _____

STATE STREET BANK AND TRUST COMPANY


By: Timothy L. Batler
Its: Senior Vice President

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

THE BANK OF NOVA SCOTIA



By:
Its:
MANAGING DIRECTOR

THE BANK OF NEW YORK MELLON

By:
Its:

STATE STREET BANK AND TRUST COMPANY

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

THE BANK OF NOVA SCOTIA

By:
Its:

THE BANK OF NEW YORK MELLON



By: **EDWARD J. DeSALVIO**
Its: **MANAGING DIRECTOR**

STATE STREET BANK AND TRUST COMPANY

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

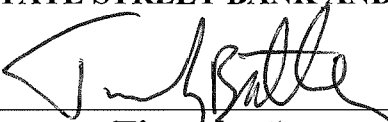
THE BANK OF NOVA SCOTIA

By:
Its:

THE BANK OF NEW YORK MELLON

By:
Its:

STATE STREET BANK AND TRUST COMPANY



By: **Timothy L. Batler**
Its: **Senior Vice President**

Exhibit A

Current Plan

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

In re:

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

Debtor.

)
)
)
)
)
)
)

Case No. 11-05736-TBB

Chapter 9

**CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA
(DATED June 30, 2013)**

Pursuant to 11 U.S.C. § 941, Jefferson County, Alabama, files this plan of adjustment.

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

As used in the Plan and the Plan's Exhibits, the following Defined Terms shall have the respective meanings specified below:

1. **"503(b)(9) Bar Date"** means June 4, 2012, which is the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.
2. **"503(b)(9) Claim"** means a Claim that is entitled to treatment as an administrative expense under Bankruptcy Code section 503(b)(9).
3. **"Accumulated Sewer Revenues"** means all revenues of the Sewer System that are deposited and retained by the Sewer Warrant Trustee in either the "Jefferson County Sewer System Revenue Account" or the "Jefferson County Sewer System Debt Service Fund" through the Effective Date, in each case without deducting any amounts that may be subject to deduction as "Operating Expenses" under the Sewer Warrant Indenture as a result of any ruling by the Bankruptcy Court regarding the pending dispute about actually incurred professional fees in Adversary Proceeding Number 12-00016-TBB.
4. **"Act 619"** means Act 619 of the Alabama Legislature, 1949 Ala. Acts 949, *et seq.* (Sept. 19, 1949).
5. **"Adjusted Sewer Warrant Principal Amount"** means the amount of principal considered to be outstanding on each of the Sewer Warrants as of January 31, 2013, based upon the records maintained by the Sewer Warrant Trustee, *less* all payments of principal of Sewer Warrants (including principal included within the Sewer Warrant Insurers Outlay Amount) to be made on the Effective Date from the Accumulated Sewer Revenues as set forth in Section 4.6(a) of the Plan. The aggregate Adjusted Sewer Warrant Principal Amount with respect to all Sewer Warrants as of the Effective Date is anticipated to be approximately \$3.078 billion.
6. **"Administrative Claim"** means a Claim for administrative costs or expenses that is entitled to priority in payment under Bankruptcy Code sections 503(b), 507(a)(2), and 901.
7. **"Administrative Claims Bar Date"** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the last day to file proof of an Administrative Claim, which date shall be no more than ninety (90) calendar days after the Effective Date, after which date any Administrative Claim not timely Filed shall be forever barred, and the County shall have no obligation with respect thereto; *provided, however*, that no proof of an Administrative Claim shall be required to be filed if such Administrative Claim shall have been incurred (a) in accordance with an order of the Bankruptcy Court or (b) with the written consent of the County and in the ordinary course of the County's operations.

8. **“Alabama Constitution”** means the Constitution of Alabama of 1901, as amended from time to time thereafter.

9. **“Allowed”** or **“Allowed _____ Claim”** means:

- (a) with respect to a Claim arising prior to the Petition Date (including a 503(b)(9) Claim):
 - (i) either (A) a proof of Claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of Claim is deemed timely Filed either as a result of such Claim being listed on the List of Creditors or by a Final Order; and
 - (ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;
- (b) with respect to a Claim arising on or after the Petition Date (excluding a 503(b)(9) Claim), a Claim that has been allowed pursuant to Section 2.2(a) of the Plan.

Unless otherwise specified in the Plan or by a Final Order of the Bankruptcy Court, an “Allowed Administrative Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, or late charges on such Administrative Claim or Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the Case is not an Allowed Claim. For the avoidance of doubt, any and all Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

10. **“Ambac”** means Ambac Assurance Corporation.

11. **“Amended and Restated GO Warrant Indenture”** means the GO Warrant Indenture as amended and restated by the Plan pursuant to Bankruptcy Code section 1123(a)(5)(F), the form of which indenture will be included in the Plan Supplement and which will include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

12. **“Amended List Bar Date”** means, with respect to a claimant affected by the County’s amendment of the List of Creditors subsequent to the mailing and publication of the Bar Date Notice that reduces the undisputed, non-contingent, or liquidated amount or changes the nature or classification of such claimant’s Claim, the later of (a) either (i) the General Bar Date or (ii) if such claimant is a governmental unit, the Governmental Unit Bar Date; and (b) thirty (30) calendar days after the date that such claimant is served with notice of the amendment to the List of Creditors altering the amount, nature, or classification of such claimant’s Claim.

13. **“Approved Rate Structure”** means the structure of sewer rates and charges approved by the County Commission pursuant to Amendment 73 of the Alabama Constitution and Act 619 to be charged by the County to users of the Sewer System to support the repayment of the New Sewer Warrants so long as any portion of the New Sewer Warrants remain outstanding, which structure is set forth as Exhibit C to the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

14. **“Asserted Full Recourse Sewer Claims”** means any and all Claims based on or related to any Sewer Debt Claims that any Person asserts are general obligations of the County payable from the General Fund, including (a) the Sewer Warrant Trustee’s Asserted Recourse Claim; (b) the unliquidated proofs of Claim for indemnity, fraud, fraud in the inducement, and the like Filed by FGIC; (c) the unliquidated proofs of Claim for indemnity Filed by Assured; (d) the unliquidated proofs of Claim for indemnity Filed by Syncora; and (e) the JPMorgan Asserted Recourse Indemnification Claims.

15. **“Assured”** means Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc.

16. **“Avoidance Actions”** means all causes of action, claims, remedies, or rights that may be brought by or on behalf of the County under any section contained within chapter 5 of the Bankruptcy Code, or under related state or federal statutes or common law, regardless whether such action has been commenced prior to the Effective Date.

17. **“Avoidance Claim Bar Date”** means, with respect to any Person asserting Claims arising from the avoidance of a transfer under chapter 5 of the Bankruptcy Code, the first Business Day that is at least thirty (30) calendar days after entry of the order or judgment authorizing avoidance of the transfer.

18. **“Ballot”** means the ballot forms distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject the Plan, on which form the holder may cast its vote in respect of the Plan in accordance with the Plan and the Plan Procedures Order, and which must be actually received by the Ballot Tabulator on or before the Ballot Deadline in order to be counted.

19. **“Ballot Deadline”** means the deadline established by the Bankruptcy Court in the Plan Procedures Order for the delivery of executed Ballots to the Ballot Tabulator.

20. **“Ballot Record Date”** means the date established by the Bankruptcy Court in the Plan Procedures Order to determine which Creditors are entitled to vote on the Plan.

21. **“Ballot Tabulator”** means the Claims Agent, or any other Person designated by the County to tabulate Ballots in accordance with the Plan Procedures Order.

22. **“Bank Warrant Claims”** means any and all Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims and Series 2003-B-2 Through B-7 Sewer Claims. For the avoidance of doubt, (i) any Claims on account of Bank Warrants held by any of the Sewer Warrant Insurers are Sewer Warrant Insurers Claims, not Bank Warrant Claims; and (ii) Bank Warrant Claims do not include the Other Standby Sewer Warrant Claims.

23. **“Bank Warrant Default Interest Claims”** means any Claims based on interest that is alleged to have accrued on any Bank Warrants on or before the Petition Date at a “default” rate or as interest on interest, including under the Standby Sewer Warrant Purchase Agreements, and that remained unpaid on the Petition Date.

24. **“Bank Warrant Default Interest Settlement Payments”** means, collectively, (a) \$1,164,307.11 to be paid to State Street as consideration for the settlement, release, and waiver under the Plan of asserted Bank Warrant Default Interest Claims of approximately \$8.5 million; (b) \$953,295.41 to be paid to Scotia Bank as consideration for the settlement, release, and waiver under the Plan of asserted Bank Warrant Default Interest Claims of approximately \$7.2 million; and (c) \$646,694.23 to be paid to BNY as consideration for the settlement, release, and waiver under the Plan of asserted Bank Warrant Default Interest Claims of approximately \$4.3 million.

25. **“Bank Warrants”** means, collectively, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and the Series 2003-B-2 Through B-7 Sewer Warrants.

26. **“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as the same may be amended from time to time to the extent applicable to the Case.

27. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or any other court that exercises competent jurisdiction over the Case.

28. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case.

29. **“Bar Date Notice”** means the *Notice of (A) Entry of Order for Relief and (B) Deadlines for Filing Proofs of Claim and Requests for Allowance of Section 503(b)(9) Administrative Expense Claims*, which sets forth certain dates, deadlines, and procedures relevant to filing proofs of Claims in the Case pursuant to the *Order (I) Setting Bar Dates and Procedures for Filing Proofs of Claim; (II) Setting the Bar Date and Procedures for Filing Requests for Allowance of Section 503(b)(9) Claims; and (III) Approving Form and Manner of Serving and Publishing the Notices of Bar Dates and the Entry of the Order for Relief*, as subsequently amended [Docket Nos. 889 & 933].

30. **“Bennett Action”** means that certain adversary proceeding styled as *Andrew Bennett, et al. v. Jefferson County, Alabama and The Bank of New York Mellon, as Indenture Trustee (In re Jefferson County, Alabama)*, Adv. Proc. No. 12-00120 (Bankr. N.D. Ala.).

31. **“Bessemer Indenture”** means that certain *Trust Indenture* dated as of August 1, 2006, between the PBA and the Bessemer Trustee.

32. **“Bessemer Insurer”** means Ambac.

33. **“Bessemer Lease”** means that certain *Lease Agreement* dated August 1, 2006, by and between the County and the PBA.

34. **“Bessemer Lease Claims”** means, collectively, (a) any and all Claims arising from or in connection with the Bessemer Lease, including all Claims resulting from the rejection of the Bessemer Lease under Bankruptcy Code section 365; and (b) any and all Claims that could be asserted (directly or indirectly) by any Person under or in connection with the Bessemer

Indenture and the Bessemer Policy, including by any reinsurer regarding the Bessemer Policy or by any holder of warrants issued under the Bessemer Indenture; *provided, however*, that for the avoidance of doubt, the “Bessemer Lease Claims” do not include any Claims arising under the New Bessemer Lease, under the Bessemer Stipulation, or under any Related Documents (as defined in the Bessemer Stipulation) on and after the Effective Date.

35. **“Bessemer Policy”** means that certain *Financial Guaranty Insurance Policy* number 25645BE issued by Ambac on or around August 17, 2006, and insuring certain of the PBA’s obligations under the Bessemer Indenture.

36. **“Bessemer Stipulation”** means that certain *Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes* dated as of November 27, 2012, by and among the County, the PBA, the Bessemer Trustee, and the Bessemer Insurer, which Bessemer Stipulation was approved by order of the Bankruptcy Court on December 20, 2012 [Docket No. 1537].

37. **“Bessemer Trustee”** means First Commercial Bank, in its capacity as Indenture Trustee under the Bessemer Indenture.

38. **“BLB”** means Bayerische Landesbank, New York Branch, formerly known as Bayerische Landesbank Girozentrale.

39. **“BLB GO Claim”** means \$52,937,479.17, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by BLB.

40. **“BNY”** means The Bank of New York Mellon in its capacity as a Sewer Liquidity Bank and not in any other capacity.

41. **“Board of Education Lease Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Warrants or the Board of Education Lease Indenture other than Board of Education Lease Policy Claims.

42. **“Board of Education Lease Debts”** means, together, all Board of Education Lease Claims and all Board of Education Lease Policy Claims.

43. **“Board of Education Lease Indenture”** means that certain *Mortgage and Trust Indenture* dated as of July 1, 2000, between the County and the Board of Education Lease Trustee.

44. **“Board of Education Lease Insurer”** means Assured.

45. **“Board of Education Lease Policy”** means that certain *Municipal Bond Insurance Policy* number 26420-N issued by Assured on or around July 25, 2000.

46. **“Board of Education Lease Policy Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Policy, as well as any and all Claims of the Board of Education Lease Insurer or any Transferee of the Board of Education Lease Insurer

arising from or in connection with the Board of Education Lease Indenture, including all Claims arising in connection with any Board of Education Lease Warrants held by the Board of Education Lease Insurer or by any Transferee of the Board of Education Lease Insurer as a result of the Board of Education Lease Insurer's satisfaction of any claims under the Board of Education Lease Policy, and including any related Reinsurance Claims.

47. **“Board of Education Lease Trustee”** means U.S. Bank National Association, in its capacity as Indenture Trustee under the Board of Education Lease Indenture and as successor to SouthTrust Bank.

48. **“Board of Education Lease Trustee Fee Claims”** means any and all Claims of the Board of Education Lease Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the Board of Education Lease Indenture.

49. **“Board of Education Lease Warrants”** means those certain Limited Obligation School Warrants, Series 2000 issued in the original principal amount of \$45,210,000 and insured by the Board of Education Lease Insurer.

50. **“Business Day”** means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

51. **“Case”** means the voluntary case commenced by the County under chapter 9 of the Bankruptcy Code and pending before the Bankruptcy Court.

52. **“Cash”** means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

53. **“Causes of Action”** means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims (including equitable subordination claims and statutory subordination claims), subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

54. **“Claim”** means any “claim” as that word is defined by Bankruptcy Code section 101(5) against the County or against property of the County, whether or not asserted in the Case.

55. **“Claims Agent”** means Kurtzman Carson Consultants LLC, the County's court-appointed claims, noticing, and balloting agent pursuant to 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].

56. **“Claims Bar Date”** means, as applicable, the 503(b)(9) Bar Date, the Administrative Claim Bar Date, the Amended List Bar Date, the Avoidance Claim Bar Date, the General Bar Date, the Governmental Unit Bar Date, and the Rejection Bar Date.

57. **“Claims Objection Deadline”** means, unless extended by the Bankruptcy Court upon a motion Filed by the County, the date that is the later of (a) the first Business Day that is at least 180 calendar days after the Effective Date, and (b) the first Business Day that is at least 180 calendar days after the date on which a proof of Claim in respect of a Claim has been Filed. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court.

58. **“Class”** means a group of Claims as designated in Section 2.3 of the Plan, or any subclass thereof.

59. **“Closing Agreement”** means an agreement between the County and the Internal Revenue Service which, in form and substance acceptable to the County and each of the Sewer Plan Support Parties, resolves the pending audit regarding certain of the Sewer Warrants and confirms the tax-free status of all the Sewer Warrants, with no taxes, costs, or other liabilities to the existing holders of the Sewer Warrants.

60. **“Commutation Election”** means the election or deemed election under the Plan of a holder of Sewer Warrants to unconditionally commute, waive, and forever release, discharge, and forgo (a) any and all Sewer Wrap Payment Rights; (b) any and all Bank Warrant Default Interest Claims (except with respect to the Bank Warrant Default Interest Settlement Payments); and (c) any and all other Claims or Causes of Action against the County, against any of the Sewer Released Parties, or against any of their respective Related Parties.

61. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court in the Case.

62. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by Bankruptcy Code section 1128(a), as such hearing may be continued from time to time.

63. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan under Bankruptcy Code section 943(b).

64. **“Consent Decree Claims”** means any and all Claims arising from or in connection with either of the Consent Decrees.

65. **“Consent Decrees”** means the EPA Consent Decree and the Hiring Practices Consent Decree.

66. **“Contingent Claim”** means a Claim that is listed on the List of Creditors as contingent.

67. **“County”** means Jefferson County, Alabama, a political subdivision of the State of Alabama and the chapter 9 debtor in the Case.

68. **“County Commission”** means the duly elected five member Jefferson County Commission, which serves as the governing body of the County pursuant to Alabama Code sections 11-1-5 and 11-3-11.

69. **“Covered Tail Risk”** means Cash equal to each Sewer Warrant Insurer’s Tail Risk to be paid or funded by the County on the Effective Date pursuant to the applicable Tail Risk Payment Agreement, the amount of which Cash shall not exceed \$25 million in the aggregate.

70. **“Creditor”** means a Person holding a Claim.

71. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to Bankruptcy Code section 1123(b)(2).

72. **“Declaratory Judgment Action”** means that certain adversary proceeding commenced by the Sewer Warrant Trustee against the County, Syncora, and Assured on or about February 6, 2013, and styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (Bankr. N.D. Ala.).

73. **“Defined Term”** means any capitalized term that is defined in this Section 1.1 of the Plan.

74. **“Depfa Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

75. **“Deposit Refund Claims”** means any and all Claims for the refund of any deposits paid to and held by the County, including deposits made with respect to applications for permits issued by the County and security deposits paid to the County with respect to the provision of services by the County.

76. **“Disallowed Claim”** means a Claim that (a) is not listed on the List of Creditors, or is listed thereon as contingent, unliquidated, disputed, or in an amount equal to zero, and whose holder failed to timely File a proof of Claim by the applicable Claims Bar Date; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

77. **“Disclosure Statement”** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125, as it subsequently may be amended, modified, or supplemented by the County.

78. **“Disputed Claim”** means a Claim:

- (a) as to which a proof of Claim is Filed or is deemed Filed as a result of such Claim being listed on the List of Creditors; and

- (b) as to which:
- (i) an objection or request for estimation (A) has been timely Filed, and (B) has not been denied by a Final Order or withdrawn; or
 - (ii) is a Claim that is listed on the List of Creditors as disputed; or
 - (iii) is disputed in whole or in part under the Plan.

79. **“Distribution”** means any initial or subsequent issuance, payment, or transfer of consideration made under the Plan.

80. **“Distribution Record Date”** means (a) the first Business Day that is at least ten (10) calendar days after the Confirmation Date; or (b) such later date before the Effective Date as the County (i) reasonably determines, after consultation with the Sewer Plan Support Parties and the Sewer Warrant Trustee, is feasible in light of the anticipated date of the Effective Date and (ii) specifies in a notice Filed with the Bankruptcy Court.

81. **“DTC”** means The Depository Trust Company.

82. **“Effective Date”** means a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which the conditions set forth in Section 4.18(a) of the Plan have been satisfied or waived by the County and by any other necessary parties in accordance with Section 4.18(b) of the Plan.

83. **“Eligible Sewer Warrants”** means the Sewer Warrants held by the Supporting Sewer Warrantholders as of the date of execution of the Supporting Sewer Warrantholder Plan Support Agreement and set forth opposite each such Supporting Sewer Warrantholder’s name on Schedule 1 thereto.

84. **“Eminent Domain Claims”** means any and all Claims for actual damages arising directly from the County’s exercise of its power of eminent domain or condemnation.

85. **“Employee Compensation Claims”** means any and all Claims of Persons employed by the County or the State of Alabama as of the Petition Date that the County is required to compensate by agreement or applicable law, for all forms of compensation including unpaid wages, salaries, accrued vacation, compensation or “comp” time, pension contributions, health insurance premiums, and sick pay arising prior to the Petition Date and remaining outstanding on the Effective Date.

86. **“EPA Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 9, 1996, in the litigation styled as *Kipp, et al. v. Jefferson County, Alabama*, Civil Action No. 93-G-2492-S (N.D. Ala.) and *United States v. Jefferson County, Alabama*, Civil Action No. 94-G-2947-S (N.D. Ala.).

87. **“Federal Court Receivership Action”** means *The Bank of New York Mellon, as Trustee v. Jefferson County, Alabama, et al.*, Case No. 2:08-cv-1703-RDP, pending in the United States District Court for the Northern District of Alabama, Southern Division.

88. **“FGIC”** means Financial Guaranty Insurance Company.

89. **“FGIC Assured-Insured Warrant Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants held by FGIC as an investment as of the date of the execution of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers.

90. **“FGIC Rehabilitator”** means Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (N.Y. Sup. Ct.).

91. **“File”** or **“Filed”** means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Bankruptcy Court in the Case, except with respect to proofs of claim that must be filed with the Claims Agent pursuant to the Bar Date Notice, in which case “File” or “Filed” means duly and properly filed with the Claims Agent and reflected on the official claims register maintained by the Claims Agent.

92. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

- (a) that has not been reversed, rescinded, stayed, modified, or amended;
- (b) that is in full force and effect; and
- (c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be filed with respect to such order.

93. **“Future Tax Proceeds”** means any future excess tax proceeds available for mandatory redemptions under the School Warrant Indenture.

94. **“General Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the general deadline for Creditors to file proofs of Claims against the County.

95. **“General Fund”** means the County’s general operating fund.

96. **“General Liability Claim”** means a Claim, arising in tort or otherwise, for damages arising from or relating to death, injury to a Person, damage to or loss of property, or

any other injury that a Person may suffer to his, her, or its Person, reputation, character, feelings, or estate.

97. **“General Unsecured Claim”** means a Claim that is not an Administrative Claim, a Bessemer Lease Claim, a Board of Education Lease Debt Claim, a GO Debt Claim, an Other Unimpaired Claim, a Professional Fee Claim, a Secured Claim, a Special Revenues Claim, or a Subordinated Claim. General Unsecured Claims include the Asserted Full Recourse Sewer Claims, Rejection Damage Claims, and the Uninsured Portion of General Liability Claims.

98. **“General Unsecured Claims Pool”** means the sum of \$5 million, which will be contributed from the General Fund to a segregated, interest-bearing account on the Effective Date, plus all interest paid by the depository institution with respect to such sum through and including the GUC Payment Date.

99. **“GO Acknowledgment”** means the provisions set forth in Exhibit D to the Plan, which the County will include in the proposed form of Confirmation Order.

100. **“GO Banks”** means, together, BLB and JPMorgan Chase Bank, N.A.

101. **“GO Debt Claims”** means, collectively, all GO Policy Claims, all GO Swap Agreement Claims, and all GO Warrant Claims.

102. **“GO Events of Default”** means all defaults or breaches by the County of either of the GO Resolutions, including any failure of the County to pay amounts due and owing on any of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants when due.

103. **“GO Insurance Policies”** means, together, (a) that certain *Financial Guaranty Insurance Policy* number 40587 issued by National on or around March 19, 2003; and (b) that certain *Financial Guaranty Insurance Policy* number 44671 issued by National on or around August 10, 2004.

104. **“GO Paying Agents”** means, together, (a) The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent with respect to the Series 2003-A GO Warrants; and (b) U.S. Bank National Association, in its capacity as successor paying agent with respect to the Series 2004-A GO Warrants.

105. **“GO Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of May 13, 2013, by and among the County, the GO Banks, and the GO Warrant Trustee.

106. **“GO Plan Support Parties”** means, collectively, the GO Banks, the GO Warrant Trustee, and National.

107. **“GO Policy Claims”** means any and all Claims arising from or in connection with the GO Insurance Policies, as well as any and all Claims of the GO Warrant Insurer or any Transferee of the GO Warrant Insurer arising from or in connection with the GO Resolutions, including all Claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer

as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies, including the National Fees and Expenses Claims and the National Reimbursement Claims, and including any related Reinsurance Claims.

108. **“GO Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the GO Insurance Policies, the GO Resolutions, the GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement, but excluding (a) all obligations imposed by the Plan, the Amended and Restated GO Indenture, and the Replacement 2001-B GO Warrants; and (b) any Claim held by a GO Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also GO Released Parties.

109. **“GO Released Parties”** means each of the County, the GO Banks, the GO Warrant Trustee, and National.

110. **“GO Resolution 2003-A”** means that certain *Resolution and Order*, including any documents annexed thereto, adopted by the County Commission at a meeting held on March 6, 2003, and authorizing the issuance of the Series 2003-A GO Warrants.

111. **“GO Resolution 2004-A”** means that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004, and authorizing the issuance of the Series 2004-A GO Warrants.

112. **“GO Resolutions”** means, together, the GO Resolution 2003-A and the GO Resolution 2004-A.

113. **“GO Swap Agreement”** means that certain *ISDA Master Agreement* dated as of March 23, 2001, between the County and JPMorgan Chase Bank, N.A., as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto

114. **“GO Swap Agreement Claims”** means any and all Claims arising under the GO Swap Agreement, including with respect to all “Transactions” (as defined in the GO Swap Agreement) thereunder.

115. **“GO Warrant Claims”** means any and all Series 2001-B GO Claims, Series 2003-A GO Claims, and Series 2004-A GO Claims.

116. **“GO Warrant Indenture”** means that certain *Trust Indenture* dated as of July 1, 2001, between the County and the GO Warrant Trustee.

117. **“GO Warrant Insurer”** means National.
118. **“GO Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as Indenture Trustee under the GO Warrant Indenture and as successor to The Bank of New York.
119. **“GO Warrant Trustee Fee Claims”** means any and all Claims of the GO Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the GO Warrant Indenture.
120. **“GO Warrants”** means, collectively, the Series 2001-B GO Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants.
121. **“Governmental Unit Bar Date”** means August 31, 2012, which is the date established by the Bankruptcy Court as the deadline for governmental units to file proofs of Claims.
122. **“GUC Payment Date”** means the later of (a) the third (3rd) annual anniversary of the Effective Date, and (b) the date on which all objections that the County Files regarding any General Unsecured Claims on or before the Claims Objection Deadline have been settled or resolved by Final Orders.
123. **“Hiring Practices Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 29, 1982, in the litigation styled as *United States of America v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS (N.D. Ala.).
124. **“Impaired”** means “impaired” within the definition of Bankruptcy Code section 1124.
125. **“Indenture Trustees”** means, collectively, the Board of Education Lease Trustee, the GO Warrant Trustee, the School Warrant Trustee, and the Sewer Warrant Trustee.
126. **“Insured Portion”** means that portion of an Allowed General Liability Claim that is covered by insurance by one or more policies providing coverage to or on behalf of the County or any of its employees, including any excess coverage policies.
127. **“JPMorgan Asserted Recourse Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Warrant Purchase Agreements*, dated as of March 6, 2002, September 18, 2002, October 24, 2002, April 30, 2003, and August 5, 2003, in each case by and between the County and JPMS.
128. **“JPMorgan GO Claim”** means \$52,185,812.50, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by JPMorgan Chase Bank, N.A.
129. **“JPMorgan Parties”** means, collectively, JPMorgan Chase Bank, N.A., JPMS, and any of their respective affiliates holding Sewer Warrant Claims or Bank Warrant Claims,

and for purposes of the definition of Sewer Released Parties, the term JPMorgan Parties shall also include Bear Stearns Capital Markets Inc.

130. **“JPMorgan Sewer Revenue Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Remarketing and Interest Services Agreements*, dated as of February 1, 2002, May 1, 2003, and May 1, 2003, in each case by and between the County and JPMS.

131. **“JPMS”** means J.P. Morgan Securities LLC, formerly known as J.P. Morgan Securities Inc.

132. **“List of Creditors”** means the list of Creditors Filed by the County in the Case pursuant to Bankruptcy Code section 924 and Bankruptcy Rule 1007(e), as it has been or subsequently may be modified or amended by the County [Docket Nos. 410 & 932].

133. **“Liquidity Agent Standby Sewer Warrant Claims”** means any and all Claims of JPMorgan Chase Bank, N.A. in its capacity as liquidity agent under the Standby Sewer Warrant Purchase Agreements, including any and all Claims for reimbursement or indemnification in such capacity.

134. **“National”** means National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

135. **“National Fees and Expenses Claims”** means any and all Claims on account of fees, expenses, or costs incurred by National prior to the Effective Date that arise from or are related to the Case, the Series 2003-A GO Warrants, the Series 2004-A GO Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses.

136. **“National Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 27, 2013, by and between the County and National.

137. **“National Reimbursement Claims”** means any and all Claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Series 2003-A GO Warrants or on the Series 2004-A GO Warrants during the period from the Petition Date through the Effective Date.

138. **“National Reimbursement Payments”** means the following amounts that are payable, subject to the County’s prepayment rights under Section 2.3(r) of the Plan, on the following dates: (a) \$2,854,321.62 payable on April 1, 2025; (b) \$2,854,321.62 payable on April 1, 2026; and (c) \$2,854,321.63 payable on April 1, 2027.

139. **“New Bank Rate”** means the Prime Rate (as defined in the Standby School Warrant Purchase Agreement) plus 2.25%.

140. **“New Bessemer Lease”** means that certain *Lease Agreement* dated as of January 1, 2013, which the County and the PBA entered into pursuant to the Bessemer Stipulation.

141. **“New Sewer Warrant Indenture”** means the indenture under which the County will issue the New Sewer Warrants, the form of which indenture will be included in the Plan Supplement.

142. **“New Sewer Warrants”** means the new sewer warrants issued by the County under the Plan, secured by the collateral specified in the New Sewer Warrant Indenture, and governed by the New Sewer Warrant Indenture, the form of which sewer warrants will be included in the Plan Supplement.

143. **“Non-Commutation True-Up Amount”** means an aggregate amount equal to, with respect to each Sewer Warrant held by a Person that elects not to make or is deemed not to make the Commutation Election, the difference between (a) 80% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant, and (b) 65% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant.

144. **“OPEB Plan”** means the single-employer, post-retirement welfare benefit plan sponsored by the County in accordance with the resolution of the County Commission first approved on September 25, 1990, and approved from time to time thereafter.

145. **“OPEB Plan Claims”** means any and all Claims of the OPEB Plan.

146. **“Other Secured Claims”** means any Secured Claims that are not otherwise expressly classified under the Plan.

147. **“Other Specified Sewer Claims”** means any and all JPMorgan Sewer Revenue Indemnification Claims.

148. **“Other Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements other than any Claims on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements). For the avoidance of doubt, the Other Standby Sewer Warrant Claims include the Liquidity Agent Standby Sewer Warrant Claims and any and all other Claims for reimbursement or indemnification, including with respect to any fees or expenses (including professional fees), of any party (other than the County) to the Standby Sewer Warrant Purchase Agreements.

149. **“Other Unimpaired Claims”** means any and all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims.

150. **“Outstanding Amount”** means, with respect to any series or subseries of non-commuted Sewer Warrants, (a) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on the Effective Date, the outstanding principal (after giving effect to all Distributions contemplated by the Plan) owing on such series or subseries of Sewer Warrants as of the Effective Date; or (b) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on a date

after the Effective Date, the sum of (i) the outstanding principal (after giving effect to all Distributions contemplated by the Plan and any principal payments theretofore made by the applicable Sewer Warrant Insurer on or after the Effective Date) owing on such series or subseries of Sewer Warrants as of the date on which the applicable Sewer Warrant Insurer elects to pay outstanding accelerated principal and interest, and (ii) all interest accrued and unpaid on such series or subseries of Sewer Warrants after the Effective Date through the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries.

151. **“Pass-Through Obligation Claims”** means any and all Claims of the Birmingham-Jefferson Civic Center Authority, the State of Alabama, cities, towns, school districts, school boards, and other municipalities for taxes and other funds due to them or to any applicable trustee on their behalf that the County, under applicable state law, has collected on their behalf and is obligated to remit to them or to any applicable trustee on their behalf.

152. **“PBA”** means the Jefferson County Public Building Authority.

153. **“Permanent Injunction”** has the meaning set forth in Section 6.2 of the Plan.

154. **“Person”** means any person or organization created or recognized by law, including any association, company, cooperative, corporation, entity, estate, individual, joint stock company, joint venture, limited liability company, partnership, trust, unincorporated organization, or government or any political subdivision thereof.

155. **“Petition Date”** means November 9, 2011.

156. **“Plan”** means this *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)*, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time by the County in accordance with the terms hereof and Bankruptcy Code section 942.

157. **“Plan Procedures Order”** means an order that is entered by the Bankruptcy Court and, among other things, establishes procedures and deadlines with respect to the solicitation and tabulation of votes to accept or reject the Plan.

158. **“Plan Supplement”** means a compilation of any document, form of document, schedule, or exhibit identified in the Plan or the Disclosure Statement for Filing with the Bankruptcy Court on or before the deadline specified in the Plan Procedures Order, including the Amended and Restated GO Warrant Indenture, the New Sewer Warrant Indenture, the Put Agreement, the Schedule of Assumed Agreements, the School Warrant Second Supplemental Indenture (if applicable), the Tail Risk Payment Agreements, the form of the New Sewer Warrants, and the form of the Replacement 2001-B GO Warrants.

159. **“Plan Support Agreements”** means, collectively, the Depfa Plan Support Agreement, the GO Plan Support Agreement, the National Plan Support Agreement, and the Sewer Plan Support Agreements, in each case collectively with all exhibits and schedules thereto.

160. **“Plan Support Parties”** means, collectively, Depfa Bank PLC, the GO Plan Support Parties, and the Sewer Plan Support Parties.

161. **“Preserved Claims”** means all Causes of Action of the County, including the Avoidance Actions and other Causes of Action identified on Exhibit A to the Plan, against the Persons identified thereon, but excluding all Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court. The failure to specifically identify in the Disclosure Statement or the Plan any potential or existing Causes of Action as a Preserved Claim is not intended to and shall not limit the rights of the County to pursue any such Causes of Action. The County expressly reserves all Causes of Action, other than those Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court, as Preserved Claims for later adjudication, and no preclusion doctrine (including the doctrines of *res judicata*, collateral estoppel, judicial estoppel, equitable estoppel, issue preclusion, claim preclusion, and laches) shall apply to such Causes of Action as Preserved Claims on or after the Effective Date.

162. **“Primary Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements).

163. **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim to (b) the amount of that Allowed Claim, is the same as the ratio of (x) the amount of consideration available for Distribution on account of all Allowed Claims in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed Claims of that Class.

164. **“Professional Fee Claim”** means a Claim required to be filed pursuant to Section 2.2(c) of the Plan with respect to amounts to be paid to a professional Person that has been duly retained by the County for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be Allowed or paid by the County if the underlying professional’s retention was by or on behalf of any Person other than the County or was otherwise not properly authorized by the County Commission.

165. **“Put Agreement”** means an agreement between the County and those Supporting Sewer Warranholders undertaking a Put Obligation, the form of which agreement will be included in the Plan Supplement.

166. **“Put Consideration”** means an amount to be paid on the Effective Date under the Put Agreement to those Supporting Sewer Warranholders undertaking a Put Obligation equal to 1.5% of the Adjusted Sewer Warrant Principal Amount of the Eligible Sewer Warrants held by each such Supporting Sewer Warranholder.

167. **“Put Obligation”** means an undertaking by some or all of the Supporting Sewer Warranholders to purchase a specified portion of the New Sewer Warrants on the terms and conditions set forth in the Put Agreement.

168. **“Rate Resolution”** means the resolution adopted by the County Commission to implement the Approved Rate Structure.

169. **“Receiver”** means John S. Young, Jr., LLC, the receiver appointed in the State Court Receivership Action, and any successor thereto or replacement thereof.

170. **“Receivership Actions”** means the Federal Court Receivership Action and the State Court Receivership Action.

171. **“Refinancing Proceeds”** means the net proceeds generated by the issuance of New Sewer Warrants after the payment of the Put Consideration.

172. **“Reinstated Sewer Warrant Interest Payments”** means all non-default rate interest (with respect to the Bank Warrants, including the Bank Warrants held by the Sewer Warrant Insurers, the Sewer Bank Rate) accrued and unpaid on account of any Sewer Warrants through and including the Effective Date, without providing for any interest on interest; *provided, however*, that any non-default rate interest paid by any of the Sewer Warrant Insurers during the period starting on February 1, 2013, and continuing through and including the Effective Date is not included within the “Reinstated Sewer Warrant Interest Payments,” but instead is part of the “Sewer Warrant Insurers Outlay Amount.”

173. **“Reinstated Sewer Warrant Principal Payments”** means all principal amounts that have become due and payable and remain unpaid (by the County, any Sewer Warrant Insurer, or otherwise) on account of any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, without giving effect to any acceleration or any accelerated redemption schedule (including any accelerated redemption schedule applicable to any Bank Warrants). Any principal amounts that have become or will become due and owing on any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, and that have been paid or are paid by any of the Sewer Warrant Insurers are not included within the “Reinstated Sewer Warrant Principal Payments,” but instead are part of the “Sewer Warrant Insurers Outlay Amount.”

174. **“Reinsurance Claim”** means, with respect to any particular bond or warrant insurance policy, any Claim that has been or could be asserted (directly or indirectly) by any Person that has acted or is acting as a “reinsurer” or in any similar capacity with respect to such insurance policy.

175. **“Rejection Bar Date”** means, with respect to any Rejection Damage Claim, the latest of (a) the first Business Day that is at least thirty (30) calendar days after the later of either (i) the date on which a Rejection Order is entered by the Bankruptcy Court or (ii) the effective date of such Rejection Order; (b) either (i) the General Bar Date or (ii) if the claimant is a governmental unit, the Governmental Unit Bar Date; and (c) solely as to those Rejection Damage Claims arising from the rejection of an unexpired lease or an executory contract under the Plan, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

176. **“Rejection Damage Claim”** means a Claim arising under Bankruptcy Code section 365(g) from the rejection of an unexpired lease or an executory contract.

177. **“Rejection Order”** means an order of the Bankruptcy Court entered prior to the Effective Date and authorizing the County’s rejection of an unexpired lease or an executory contract.

178. **“Related Parties”** means, collectively, (a) any affiliates of a Person, and (b) all of the respective accountants, affiliates, agents, assigns, attorneys, authorities, bankers, consultants, directors, employees, executors, financial advisors, heirs, investment bankers, managers, members, officers, officials, parent entities, partners, predecessors, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present, of such Person and of such Person’s affiliates; *provided, however*, that the County’s Related Parties shall include the County Commission and its members, but shall not include any former County Commissioners or any former employees or officials of the County against which the County has any Preserved Claims.

179. **“Remaining Accumulated Sewer Revenues”** means the amount of Accumulated Sewer Revenues, if any, remaining after providing for the payment of all Reinstated Sewer Warrant Principal Payments, all Reinstated Sewer Warrant Interest Payments, and all Sewer Warrant Insurers Outlay Amount as required by Section 4.6(a) of the Plan.

180. **“Replacement 2001-B GO Warrants”** means replacement warrants to be issued under the Plan, governed by the Amended and Restated GO Indenture, and named the “General Obligation Warrants, Series 2013,” the form of which warrants will be included in the Plan Supplement and which will include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

181. **“Retained Amount”** means the sum of \$3,756,625.75 of Education Tax Revenues (as defined in the School Warrant Indenture) retained by the County during the pendency of the Case in the “Jefferson County Limited Obligation Warrant Revenue Account” established under the School Warrant Indenture.

182. **“Retirement System”** means the General Retirement System for Employees of Jefferson County, Alabama, which was established by the Alabama Legislature pursuant to Act Number 497, Acts of Alabama 1965, page 717, and is the administrator of a single-employer, defined benefit pension plan covering substantially all employees of the County.

183. **“Retirement System Claims”** means any and all Claims of the Retirement System.

184. **“Schedule of Assumed Agreements”** means the schedule of executory contracts and unexpired leases that the County will assume on the Effective Date. As part of the Plan Supplement, the County shall File its initial Schedule of Assumed Agreements and serve it on the parties to contracts and leases listed on that schedule. Upon filing, such schedule shall become Exhibit B to the Plan (subject to any modifications made prior to the Confirmation Date).

185. **“School Debt Claims”** means, collectively, all School Policy – General Claims, all School Surety Reimbursement Claims, all School Warrant Claims, all School Warrant Trustee Fee Claims, and all Subordinated School Claims.

186. **“School Insurance Policies”** means, together, the School Policy – General and the School Surety.

187. **“School Policy – General”** means that certain *Financial Guaranty Insurance Policy* number 23545BE issued by Ambac on or around February 2, 2005.

188. **“School Policy – General Claims”** means any and all Claims arising from or in connection with the School Policy – General, as well as any and all Claims of the School Warrant Insurer or any Transferee of the School Warrant Insurer arising from or in connection with the School Warrant Indenture, including all Claims arising in connection with any Series 2005-A School Warrants or Series 2005-B School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Policy – General, and including any related Reinsurance Claims.

189. **“School Surety”** means that certain *Surety Bond* number SB1982BE issued by Ambac on or around February 2, 2005.

190. **“School Surety Reimbursement Claims”** means any and all Claims arising from or in connection with (a) the School Surety or (b) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac, including all Claims arising in connection with any School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Surety, and including any related Reinsurance Claims.

191. **“School Warrant Claims”** means any and all Series 2004-A School Claims, Series 2005-A School Claims, and Series 2005-B School Claims.

192. **“School Warrant Event of Default”** shall have the meaning ascribed to the term “Event of Default” in, as applicable, the School Warrant Indenture or the Standby School Warrant Purchase Agreement, and **“School Warrant Events of Default”** shall mean more than one such “Event of Default.”

193. **“School Warrant Indenture”** means that certain *Trust Indenture* dated as of December 1, 2004, between the County and the School Warrant Trustee, as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005.

194. **“School Warrant Insurer”** means Ambac.

195. **“School Warrant Second Supplemental Indenture”** means that certain supplement to the School Warrant Indenture to be executed as of the Effective Date of the Plan, which shall contain the amendments to the School Warrant Indenture effected by the Plan; *provided, however*, that such School Warrant Second Supplemental Indenture shall be executed only if the County and the School Warrant Trustee agree that such a supplemental indenture is necessary and appropriate and agree on the form and substance of such supplemental indenture prior to the deadline for filing the Plan Supplement.

196. **“School Warrant Trustee”** means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the School Warrant Indenture.

197. **“School Warrant Trustee Fee Claims”** means any and all Claims of the School Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the School Warrant Indenture.

198. **“School Warrants”** means, collectively, the Series 2004-A School Warrants, the Series 2005-A School Warrants, and the Series 2005-B School Warrants.

199. **“Scotia Bank”** means The Bank of Nova Scotia.

200. **“Secured Claim”** means a Claim, including a Secured Tax Claim and Other Secured Claim, that is secured by a lien on property of the County, which lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the claimholder’s interest in the County’s interest in the collateral or to the extent of the amount subject to setoff against a Claim held by the County, whichever is applicable, and as determined under Bankruptcy Code section 506(a); to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, in the case of a Claim that is not a Special Revenues Claim, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which Secured Claim is a part makes a valid and timely election in accordance with Bankruptcy Code section 1111(b) to have such Claim treated as a Secured Claim to the extent Allowed.

201. **“Secured Tax Claim”** means a governmental unit’s Secured Claim for unpaid taxes.

202. **“Series 1997-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 1997-A Sewer Warrants, other than any Series 1997-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

203. **“Series 1997-A Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 1997-A issued in the original principal amount of \$211,040,000 and insured by FGIC.

204. **“Series 2001-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2001-A Sewer Warrants, other than any Series 2001-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

205. **“Series 2001-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2001-A issued in the original principal amount of \$275,000,000 and insured by FGIC.

206. **“Series 2001-B GO Claims”** means any and all Claims arising from or in connection with the Series 2001-B GO Warrants or the GO Warrant Indenture, including all Standby GO Warrant Claims and all GO Warrant Trustee Fee Claims, but excluding the GO Swap Agreement Claims.

207. **“Series 2001-B GO Warrants”** means those certain General Obligation Warrants, Series 2001-B issued in the original principal amount of \$120,000,000.

208. **“Series 2002-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-A Sewer Warrants together with any and all Claims arising from or in connection with that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A., other than any Series 2002-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

209. **“Series 2002-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2002-A issued in the original principal amount of \$110,000,000 and insured by FGIC.

210. **“Series 2002-C-1 & C-5 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-C-1 Sewer Warrants or the Series 2002-C-5 Sewer Warrants, other than any Series 2002-C-1 Sewer Warrants or Series 2002-C-5 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

211. **“Series 2002-C-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-1-A, C-1-B, C-1-C, and C-1-D, issued in the original principal amount of \$298,800,000, and insured by Syncora.

212. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims”** means any Claims arising from or in connection with the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, other than any Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

213. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-2, C-3, C-4, C-6, and C-7, issued in the original principal amount of \$442,400,000, and previously insured by Syncora.

214. **“Series 2002-C-5 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-5, issued in the original principal amount of \$98,300,000, and insured by Syncora.

215. **“Series 2003-A GO Claims”** means any and all Claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies.

216. **“Series 2003-A GO Warrants”** means those certain General Obligation Capital Improvement and Refunding Warrants, Series 2003-A issued in the original principal amount of \$94,000,000 and insured by National.

217. **“Series 2003-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-A Sewer Warrant.

218. **“Series 2003-A Sewer Warrant”** means that certain Sewer Revenue Refunding Warrant, Series 2003-A issued in the original principal amount of \$41,820,000 and presently held by Alabama Water Pollution Control Authority.

219. **“Series 2003-B-1 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-1 Sewer Warrants, other than any Series 2003-B-1 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

220. **“Series 2003-B-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-1-A, B-1-B, B-1-C, B-1-D, and B-1-E, issued in the original principal amount of \$735,800,000, and insured by FGIC.

221. **“Series 2003-B-2 Through B-7 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-2 Through B-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2003-B-2 Through B-7 Sewer Warrants, other than any Series 2003-B-2 Through B-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

222. **“Series 2003-B-2 Through B-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-2, B-3, B-4, B-5, B-6, and B-7, issued in the original principal amount of \$300,000,000, and previously insured by Syncora.

223. **“Series 2003-B-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants, other than any Series 2003-B-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies. For the avoidance of doubt, the Series 2003-B-8 Sewer Claims include the FGIC Assured-Insured Warrant Claims.

224. **“Series 2003-B-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-8, issued in the original principal amount of \$119,965,000, and insured by Assured.

225. **“Series 2003-C-1 Through C-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-1 Through C-8 Sewer Warrants, other than any Series 2003-C-1 Through C-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

226. **“Series 2003-C-1 Through C-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8, issued in the original principal amount of \$820,000,000, and insured by FGIC.

227. **“Series 2003-C-9 Through C-10 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-9 Through C-10 Sewer Warrants, other than any Series 2003-C-9 Through C-10 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

228. **“Series 2003-C-9 Through C-10 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-9 and C-10, issued in the original principal amount of \$232,025,000, and insured by Assured.

229. **“Series 2004-A GO Claims”** means any and all Claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies.

230. **“Series 2004-A GO Warrants”** means those certain General Obligation Warrants, Series 2004-A issued in the original principal amount of \$51,020,000 and insured by National.

231. **“Series 2004-A School Claims”** means any and all Claims arising from or in connection with the Series 2004-A School Warrants, other than any Series 2004-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

232. **“Series 2004-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2004-A issued in the original principal amount of \$650,000,000.

233. **“Series 2005-A School Claims”** means any and all Claims arising from or in connection with the Series 2005-A School Warrants, other than any Series 2005-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

234. **“Series 2005-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-A issued in the original principal amount of \$200,000,000 and insured by Ambac.

235. **“Series 2005-B School Claims”** means any and all Claims arising from or in connection with the Series 2005-B School Warrants, including all Standby School Warrant Claims, other than any Series 2005-B School Warrants held or acquired by the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

236. **“Series 2005-B School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-B issued in the original principal amount of \$200,000,000 and insured by Ambac.

237. **“Sewer Bank Rate”** means the “Bank Rate” as that term is defined in the applicable Standby Sewer Warrant Purchase Agreement.

238. **“Sewer Debt Claims”** means, collectively, all Bank Warrant Claims, all Other Specified Sewer Claims, all Other Standby Sewer Warrant Claims, all Primary Standby Sewer Warrant Claims, all Sewer Swap Agreement Claims, all Sewer Warrant Claims, all Sewer Warrant Insurers Claims, all Sewer Warrant Trustee Fee Claims, and all Subordinated Sewer Claims.

239. **“Sewer DSRF Policies”** means, collectively, (a) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (b) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (c) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (d) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005.

240. **“Sewer DSRF Reimbursement Agreements”** means, collectively, (a) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and between the County and FGIC; (b) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (c) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (d) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured.

241. **“Sewer DSRF Reimbursement Claims”** means any and all Claims arising from or in connection with the Sewer DSRF Reimbursement Agreements or the Sewer DSRF Policies, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under or in connection with any of the Sewer DSRF Policies, and including any related Reinsurance Claims.

242. **“Sewer Insurance Policies”** means, collectively, the Sewer DSRF Policies and the Sewer Wrap Policies.

243. **“Sewer Liquidity Banks”** means, collectively, BNY, Scotia Bank, and State Street, each in its capacity as a liquidity bank with respect to Sewer Warrants, the Bank Warrant Claims, the Primary Standby Sewer Warrant Claims, the Other Standby Sewer Warrant Claims, and the Bank Warrant Default Interest Claims, and not in any other capacity.

244. **“Sewer Plan Support Agreements”** means, collectively, (i) those certain *Plan Support Agreements* among the County and each of the JPMorgan Parties, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders, dated as of June 6, 2013; and (ii) that certain *Plan Support Agreement* among the County and the Sewer Liquidity Banks dated as of June 27, 2013, in each case as the same may have been amended, modified, or supplemented in accordance with their respective terms.

245. **“Sewer Plan Support Parties”** means, collectively, the JPMorgan Parties, the Sewer Liquidity Banks, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders.

246. **“Sewer Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, the Put Agreement, the Tail Risk Payment Agreements, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) [any obligations of the Sewer Liquidity Banks to provide instructions to the Collateral/Custody Agent (as defined in the Syncora Settlement Agreement) to release the TMP Collateral (as defined in the Syncora Settlement Agreement) in accordance with section 4.4(b) of the Syncora

Settlement Agreement, provided that this clause (e) shall be of no force or effect once the Sewer Liquidity Banks have provided instructions to the Collateral/Custody Agent to release the TMP Collateral]; (f) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (f) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, or (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks); and (g) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

247. “**Sewer Released Parties**” means each of the County, the FGIC Rehabilitator, the Receiver, the Sewer Plan Support Parties, and the Sewer Warrant Trustee.

248. “**Sewer Swap Agreement Claims**” means any and all Claims arising from or in connection with the Sewer Swap Agreements, including with respect to all “Transactions” (as defined in the Sewer Swap Agreements) thereunder.

249. “**Sewer Swap Agreements**” means, collectively, (a) that certain *ISDA Master Agreement* dated as of October 23, 2002, between the County and Lehman Brothers Special Financing Inc., as subsequently amended via an amendment dated as of September 14, 2006, together with all schedules, annexes, and confirmations related thereto; (b) that certain *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A., as subsequently amended via an amendment dated as of July 14, 2003, together with all schedules, annexes, and confirmations related thereto; and (c) that certain *ISDA Master Agreement* dated as of May 1, 2004, between the County and Bear Stearns Capital Markets Inc., together with all schedules, annexes, and confirmations related thereto.

250. “**Sewer System**” means the entire sanitary sewer system owned by the County.

251. “**Sewer Warrant Claims**” means any and all Series 1997-A Sewer Claims, Series 2001-A Sewer Claims, Series 2002-A Sewer Claims, Series 2002-C-1 & C-5 Sewer Claims, Series 2003-A Sewer Claims, Series 2003-B-1 Sewer Claims, Series 2003-B-8 Sewer Claims, Series 2003-C-1 Through C-8 Sewer Claims, and Series 2003-C-9 Through C-10 Sewer Claims. For the avoidance of doubt, (i) the FGIC Assured-Insured Warrant Claims are Sewer Warrant Claims; (ii) any Claims on account of Sewer Warrants held by any of the Sewer Warrant Insurers (other than the FGIC Assured-Insured Warrant Claims) are Sewer Warrant Insurers Claims; and (iii) the Bank Warrant Claims, the Other Standby Sewer Warrant Claims, and the Primary Standby Sewer Warrant Claims are not Sewer Warrant Claims.

252. “**Sewer Warrant Indenture**” means that certain *Trust Indenture* dated as of February 1, 1997, between the County and the Sewer Warrant Trustee, as subsequently

supplemented by eleven supplemental indentures dated as of March 1, 1997, March 1, 1999, March 1, 2001, February 1, 2002, September 1, 2002, October 1, 2002, November 1, 2002, January 1, 2003, April 1, 2003, August 1, 2003, and May 1, 2004.

253. **“Sewer Warrant Indenture Funds”** means any funds or accounts that are established by or have any connection to the Sewer Warrant Indenture regardless of the pendency of any dispute concerning whether the Sewer Warrant Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

254. **“Sewer Warrant Insurers”** means, collectively, Assured, FGIC, and Syncora.

255. **“Sewer Warrant Insurers Agreements”** means those certain written agreements of the Sewer Warrant Insurers (to which the County is not a party), each dated as of June 6, 2013, and concerning, among other things, the agreed allocation of certain of the consideration payable under Section 2.3(c) of the Plan and certain commutations and settlements between and among the Sewer Warrant Insurers in respect of the Sewer Warrant Insurers Claims.

256. **“Sewer Warrant Insurers Claims”** means any and all Claims held by the Sewer Warrant Insurers, whatever the origin or nature, including all Sewer Wrap Policy Claims, all Sewer DSRF Reimbursement Claims, and all other Claims held by any Sewer Warrant Insurer arising from or in connection with the Sewer Warrants, the Sewer Warrant Indenture, or the Standby Sewer Warrant Purchase Agreements, but excluding the FGIC Assured-Insured Warrant Claims and the Asserted Full Recourse Sewer Claims. For the avoidance of doubt, Sewer Warrant Insurers Claims include any and all Claims that could be asserted in respect of (a) the Series 2002-A Sewer Warrants in the principal amount of \$101,465,000 owned by FGIC, or (b) the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and Series 2003-B-2 Through B-7 Sewer Warrants in the aggregate principal amount of \$214,191,875.11 owned by Syncora.

257. **“Sewer Warrant Insurers Outlay Amount”** means a sum equal to the amount of any and all payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of Sewer Warrants under any of the Sewer Insurance Policies on or after February 1, 2013, and through the Effective Date, plus interest on the principal portion of such payments, calculated at the underlying Sewer Warrant rate (e.g., 5.25% on the Series 2003-B-8 Sewer Warrants and two (2) times the one month LIBOR rate on the Series 2003-C-9 Through C-10 Sewer Warrants). For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to interest accrued on any Sewer Warrant.

258. **“Sewer Warrant Trustee”** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Sewer Warrant Indenture and as successor to AmSouth Bank of Alabama.

259. **“Sewer Warrant Trustee Fee Claims”** means any and all Claims of the Sewer Warrant Trustee for compensation, disbursements, expenses, fees (including fees of its counsel and experts), or indemnification pursuant to the Sewer Warrant Indenture.

260. **“Sewer Warrant Trustee Residual Fee Estimate”** means (a) the anticipated aggregate amount of reasonable expenses and fees (including reasonable fees of its counsel) that

will be incurred by the Sewer Warrant Trustee in connection with the completion of the actions that the Sewer Warrant Trustee is required to take pursuant to Sections 4.6(a), 4.6(b), 4.6(c), 4.7(b), 4.8(c), 4.11 (only with respect to last sentence thereof), 4.15(e)(iv)(A), and 4.15(e)(v) of the Plan (and only such actions), which anticipated amount shall be provided in writing to the County's counsel on or before the seventh (7th) calendar day after the Confirmation Date; plus (b) an amount not to exceed \$100,000 in respect of any indemnification rights, which amount shall be returned to the County if not used by the fourth (4th) annual anniversary of the Effective Date. The Sewer Warrant Trustee Residual Fee Estimate shall not include (i) any anticipated amounts in respect of the Sewer Wrap Payment Rights Administration Expenses; or (ii) except as set forth above, any amounts or reserves in respect of indemnification rights.

261. **“Sewer Warrant Trustee’s Asserted Recourse Claim”** means the proof of Claim filed by the Sewer Warrant Trustee “in an amount not less than \$85,562,828.31.”

262. **“Sewer Warrants”** means, collectively, the Series 1997-A Sewer Warrants, the Series 2001-A Sewer Warrants, the Series 2002-A Sewer Warrants, the Series 2002-C-1 Sewer Warrants, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, the Series 2002-C-5 Sewer Warrants, the Series 2003-A Sewer Warrant, the Series 2003-B-1 Sewer Warrants, the Series 2003-B-2 Through B-7 Sewer Warrants, the Series 2003-B-8 Sewer Warrants, the Series 2003-C-1 Through C-8 Sewer Warrants, and the Series 2003-C-9 Through C-10 Sewer Warrants. For the avoidance of doubt, all Bank Warrants are also Sewer Warrants.

263. **“Sewer Wrap Payment Rights”** means any rights of a holder of Sewer Warrants against the applicable Sewer Warrant Insurer insuring such holder’s Sewer Warrants to receive any payments under, in connection with, or on account of such Sewer Warrant Insurer’s Sewer Wrap Policies, but only with respect to any Sewer Warrants as to which such holder did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

264. **“Sewer Wrap Payment Rights Administration Expenses”** means the reasonable expenses and fees of the Sewer Warrant Trustee, if any, associated with the pursuit and administration of any Sewer Wrap Payment Rights after the Effective Date, including making demands on the applicable Sewer Warrant Insurer, calculating any amounts due under the applicable Sewer Wrap Policies, and receiving or distributing any funds payable on account of any Sewer Wrap Payment Rights. The Sewer Warrant Trustee shall provide an estimate in writing of the Sewer Wrap Payment Rights Administration Expenses to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

265. **“Sewer Wrap Policies”** means, collectively, (a) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997, as it may be amended by FGIC’s plan of rehabilitation; (b) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001, as it may be amended by FGIC’s plan of rehabilitation; (c) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002, as it may be amended by FGIC’s plan of rehabilitation; (d) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (e) that certain *Municipal Bond*

New Issue Insurance Policy number 03010448 issued by FGIC on or around May 1, 2003, as it may be amended by FGIC's plan of rehabilitation; (f) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (g) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (h) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003, as it may be amended by FGIC's plan of rehabilitation; and (i) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003.

266. **“Sewer Wrap Policy Claims”** means any and all Claims arising from or in connection with the Sewer Wrap Policies, as well as any and all Claims of any of the Sewer Warrant Insurers or any Transferee of any of the Sewer Warrant Insurers arising from or in connection with the Sewer Warrant Indenture, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claims under or in connection with any of the Sewer Wrap Policies, and including any related Reinsurance Claims. For the avoidance of doubt, the Sewer Wrap Policy Claims do not include the Sewer DSRF Reimbursement Claims.

267. **“Special Revenues Claim”** means a Claim payable solely from “special revenues” (as defined in Bankruptcy Code section 902(2)) under applicable nonbankruptcy law, including all School Debt Claims and all Sewer Debt Claims.

268. **“Standby GO Warrant Claims”** means any and all Claims arising from or in connection with the Standby GO Warrant Purchase Agreement.

269. **“Standby GO Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the GO Warrant Trustee, and the GO Banks, as subsequently amended by that certain *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004.

270. **“Standby School Warrant Claims”** means any and all Claims of Depfa Bank PLC arising from or in connection with the Standby School Warrant Purchase Agreement.

271. **“Standby School Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005, among the County, the School Warrant Trustee, and Depfa Bank PLC.

272. **“Standby Sewer Warrant Purchase Agreements”** means, collectively, (a) that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A.; (b) those certain *Standby Warrant Purchase Agreements* dated as of October 1, 2002, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, and Regions Bank; and (c) those certain *Standby Warrant Purchase Agreements* dated as of May 1, 2003, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of Société Générale, New York Branch, BNY, State Street, and Lloyds TSB Bank plc.

273. **“State Court Receivership Action”** means *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Civil Action No. CV-2009-02318, pending in the Circuit Court of Jefferson County, Alabama.

274. **“State Street”** means State Street Bank and Trust Company.

275. **“Subordinated Claim”** means a Claim that is determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c), including all Subordinated General Claims, Subordinated School Claims, and Subordinated Sewer Claims.

276. **“Subordinated General Claims”** means any and all Claims that represent general obligations of the County and are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 5-A, Class 5-B, Class 5-C, Class 5-D, or Class 5-E that are Allowed under the Plan are not Subordinated General Claims or subject to subordination.

277. **“Subordinated School Claims”** means any and all School Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) and 510(c). For the avoidance of doubt, all Claims in Class 2-A, Class 2-B, Class 2-C, Class 2-D, or Class 2-E that are Allowed under the Plan are not Subordinated School Claims or subject to subordination.

278. **“Subordinated Sewer Claims”** means any and all Sewer Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 1-A, Class 1-B, Class 1-C, or Class 1-D that are Allowed under the Plan are not Subordinated Sewer Claims or subject to subordination.

279. **“Supporting Sewer Warrantholder Directed Distribution”** has the meaning set forth in Section 4.9(b) of the Plan.

280. **“Supporting Sewer Warrantholder Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 6, 2013, by and among County, JPMorgan Chase Bank, N.A., and the Supporting Sewer Warrantholders from time to time party thereto.

281. **“Supporting Sewer Warrantholders”** means each of those Persons that owns, or manages or advises accounts or funds that own, Sewer Warrants and that is or becomes a signatory to the Supporting Sewer Warrantholder Plan Support Agreement.

282. **“Syncora”** means Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc.

283. **“Syncora Settlement Agreement”** means that certain *Settlement Agreement* by and among JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, Regions Bank, BNY, State Street, Lloyds TSB Bank, plc, as liquidity banks under the Standby Sewer Warrant Purchase Agreements, and Syncora, dated as

of April 7, 2010, collectively with any exhibits thereto and any ancillary documents associated therewith.

284. **“Tail-Coverage Escrow Accounts”** means individual escrow accounts established with respect to each of the Sewer Warrant Insurers that will be funded by the County on the Effective Date in an amount equal to the respective Covered Tail Risk for each of the Sewer Warrant Insurers, plus any interest or investment returns accruing thereon.

285. **“Tail-Coverage Protocols”** means the protocols to be set forth in the Tail Risk Payment Agreements regarding the process for disbursement of funds from each Sewer Warrant Insurer’s Tail-Coverage Escrow Account to such Sewer Warrant Insurer to reimburse such Sewer Warrant Insurer for payments made by the applicable Sewer Warrant Insurer on account of its Tail Risk, which protocol will also include provisions for the reallocation of funds between and among Tail-Coverage Escrow Accounts and the return of any remaining funds in each Tail-Coverage Escrow Account to the County, in each case, if the subject Sewer Warrant Insurer no longer requires the remaining funds in its Tail-Coverage Escrow Account, including the interest or any investment return thereon, to pay its respective Tail Risk (a) over the entire term that any Tail Risk claims can be presented for payment to such Sewer Warrant Insurer (including any additional or subsequent cash payments that may be made by a Sewer Warrant Insurer on account of previously submitted Tail Risk claims that received prior payments) or (b) in each Sewer Warrant Insurer’s sole discretion, on an accelerated basis.

286. **“Tail Risk”** means the claim exposure of each of the Sewer Warrant Insurers under the applicable Sewer Wrap Policies that remains after the Effective Date (after giving effect to the County’s payment of the Non-Commutation True-Up Amount to the Sewer Warrant Insurers, but without taking into account any reduction in FGIC’s payment obligations pursuant to any plan of rehabilitation for FGIC) based on (a) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders that elected not to make or were deemed not to make the Commutation Election, *less* the Distributions made to such holders pursuant to Option 2 of Section 2.3(a) of the Plan; and (b) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders of Series 2003-C-9 Through C-10 Sewer Warrants insured by Assured that are deemed to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, *less* the Distributions made to such holders pursuant to Option 1 of Section 2.3(a) of the Plan.

287. **“Tail Risk Payment Agreements”** means individual agreements between the County and each of the Sewer Warrant Insurers setting forth the Tail Risk with respect to such Sewer Warrant Insurer, providing the mechanisms for the payment in full of an amount equal to such Sewer Warrant Insurer’s Covered Tail Risk, and incorporating the Tail-Coverage Escrow Accounts and Tail-Coverage Protocols, the forms of which agreements will be included in the Plan Supplement.

288. **“Tax Abatement Agreement Claims”** means any and all Claims arising from or in connection with the Tax Abatement Agreements.

289. **“Tax Abatement Agreements”** means any agreement pursuant to which any sales tax, use tax, recording tax, non-educational *ad valorem* tax, or other tax has been or currently is being abated under the Tax Incentive Reform Act of 1992, codified at Alabama Code section 40-9B-1, *et seq.*

290. **“Transferee”** means any Person that, after the Petition Date, obtained or obtains any beneficial interest in all or any part of a particular Claim, whether by way of assignment, bequest, foreclosure, hypothecation, lien, mortgage, pledge, sale, or other method of “transfer” as that word is defined in Bankruptcy Code section 101(54).

291. **“True-Up Amount”** means a sum equal to the aggregate amount of any interest paid on account of any Series 2005-B School Claims during the period between August 31, 2013, and the Effective Date at a rate higher than the New Bank Rate, as agreed by and acceptable to Depfa Bank PLC and the County.

292. **“True-Up Amount Certificate”** means a certificate delivered to the School Warrant Trustee pursuant to Section 2.3(i) of the Plan confirming the amount of the True-Up Amount and directing the School Warrant Trustee to implement the provisions of the Plan reducing the principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants.

293. **“Unclaimed Distribution”** means any Distribution other than an Undeliverable Distribution with respect to which the County tenders a distribution check and that distribution check is not cashed within forty-five (45) calendar days after its issuance date.

294. **“Undeliverable Distribution”** means any Distribution with respect to which the County tenders a distribution check and that distribution check is returned as undeliverable.

295. **“Uninsured Portion”** means the portion of an Allowed General Liability Claim that is not the Insured Portion.

296. **“Unliquidated Claim”** means a Claim that is listed on the List of Creditors as unliquidated.

297. **“Unused Covered Tail Risk Amount”** means an amount equal to the positive difference, if any, between \$25 million and the aggregate Covered Tail Risk that the County is required to pay or fund on the Effective Date pursuant to the Plan and the Tail Risk Payment Agreements; *provided, however*, that the Unused Covered Tail Risk Amount shall in no event exceed the lesser of (a) \$750,000 and (b) the estimated amount of the Sewer Wrap Payment Rights Administration Expenses to be provided by the Sewer Warrant Trustee to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

298. **“Wilson Action”** means, together, that certain adversary proceeding styled as *Charles E. Wilson, et al. v. JPMorgan Chase & Co., et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 11-00433 (Bankr. N.D. Ala.), and the counts remaining in that certain action

styled as *Wilson v. Bank of America, et al.* Circuit Court of Jefferson County, Alabama, Birmingham Division, Case No. CV-2008-901907.00.

299. **“Workers Compensation Claims”** means any and all Claims pursuant to Alabama workers compensation law of current and former County employees who have suffered an eligible injury while employed by the County.

Section 1.2. Interpretation; Rules of Construction; Computation of Time.

(a) **Defined Terms.** Any term used in the Plan or the Plan’s Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

(b) **Rules of Interpretation and Construction.**

1. The definition given to any term or provision in the Plan or the Plan’s Exhibits supersedes and controls any different meaning that may be given to that term or provision in the Disclosure Statement, on any Ballot, or in any Plan Support Agreement.

2. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.

3. All references in the Plan and the Plan’s Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.

4. Whenever the Plan or the Plan’s Exhibits use the word “including,” such reference shall be deemed to mean “including, without limitation,”.

5. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.

6. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or supplement (including the Plan Support Agreements as they may be applicable to any amendment or supplement of the Plan).

7. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.

8. Unless otherwise indicated, the phrase “under the Plan” and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.

9. Unless otherwise specified, all references to “Articles,” “Exhibits,” “Schedules,” or “Sections” are references to articles, exhibits, schedules, and sections of or to the Plan.

10. The words “herein,” “hereof,” “hereto,” “hereunder,” “herewith,” and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.

11. Captions and headings to articles and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.

12. Whenever the Plan or the Plan’s Exhibits provides that a document or thing must be “acceptable” or “satisfactory” to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

13. All other rules of construction set forth in Bankruptcy Code section 102 apply to the Plan and the Plan’s Exhibits to the extent not inconsistent with this Section 1.2.

(c) **Time Periods.** In computing any period of time prescribed or allowed by the Plan or the Plan’s Exhibits, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS

Section 2.1. Summary and Classification of Claims.

This Section classifies Claims – except for Administrative Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims	Unimpaired	Not Entitled to Vote
Class 1-A	Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-B	Bank Warrant Claims and Primary Standby Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-C	Sewer Warrant Insurers Claims	Impaired	Entitled to Vote
Class 1-D	Other Specified Sewer Claims	Impaired	Entitled to Vote
Class 1-E	Sewer Swap Agreement Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 1-F	Other Standby Sewer Warrant Claims	Impaired	Not Entitled to Vote (deemed to reject)

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
Class 2-A	Series 2004-A School Claims	Impaired	Entitled to Vote
Class 2-B	Series 2005-A School Claims	Impaired	Entitled to Vote
Class 2-C	Series 2005-B School Claims and Standby School Warrant Claims	Impaired	Entitled to Vote
Class 2-D	School Policy – General Claims	Impaired	Entitled to Vote
Class 2-E	School Surety Reimbursement Claims	Impaired	Entitled to Vote
Class 3-A	Board of Education Lease Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3-B	Board of Education Lease Policy Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 4	Other Secured Claims, including Secured Tax Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-A	Series 2001-B GO Claims and Standby GO Warrant Claims	Impaired	Entitled to Vote
Class 5-B	Series 2003-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-C	Series 2004-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-D	GO Policy Claims	Impaired	Entitled to Vote
Class 5-E	GO Swap Agreement Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Entitled to Vote
Class 7	Bessemer Lease Claims	Impaired	Entitled to Vote
Class 8	Other Unimpaired Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 9	Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.

The treatment in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any liens, encumbrances, charges, and interests) that each Person holding a Claim may have or assert against the County or its property. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may otherwise have or assert against the County or its property. Other than the Reinstated Sewer Warrant Interest Payments and the Bank Warrant Default Interest Settlement Payments, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter to the remaining portion of such Allowed Claim, if any; *provided, however*, that the County's treatment of any Distributions for its tax purposes will not be binding on any Creditor as to the treatment of such Distributions for any regulatory, tax, or other purposes.

Section 2.2. Allowance and Treatment of Administrative Claims.

(a) Allowance of Administrative Claims.

(i) Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed by the County, Administrative Claims will be Allowed only if:

- (A) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim both Files with the Bankruptcy Court and serves on the County a motion requesting allowance of the Administrative Claim; and
- (B) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Claim.

The County or any other party in interest may File an objection to such motion within sixty (60) calendar days after the expiration of the Administrative Claims Bar Date, unless such time period for filing such objection is extended by the Bankruptcy Court. **THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY DISTRIBUTED PURSUANT TO THE PLAN.**

(ii) Cure Payments.

Cure Payments shall be Allowed in accordance with the procedures set forth in Section 3.1(b).

(iii) 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed by the County, a 503(b)(9) Claim will be Allowed only if:

- (A) The 503(b)(9) Claim is Filed by the 503(b)(9) Bar Date, or is deemed timely Filed; and
- (B) If an objection to such 503(b)(9) Claim is Filed by a party in interest on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is an Allowed 503(b)(9) Claim.

PURSUANT TO THE BAR DATE ORDER, ALL PERSONS HOLDING 503(b)(9) CLAIMS THAT DID NOT TIMELY FILE SUCH CLAIMS BY THE 503(b)(9) BAR DATE ARE FOREVER BARRED. ESTOPPED, AND ENJOINED FROM ASSERTING THOSE CLAIMS AGAINST THE COUNTY OR ITS PROPERTY.

(b) Treatment of Administrative Claims.

(i) Administrative Claims Generally.

Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order.

(ii) Cure Payments.

Cure Payments will be made to the non-debtor parties to the subject executory contracts or unexpired leases in accordance with Section 3.1.

(iii) 503(b)(9) Claims.

Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim to be an Allowed 503(b)(9) Claim becomes a Final Order.

(c) Professional Fees.

Pursuant to Bankruptcy Code section 943(b)(3), all amounts to be paid for services or expenses in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable. There shall be paid to each holder of a Professional Fee Claim in full, final, and complete settlement, satisfaction, release, and discharge of such Claim, Cash in an amount

equal to the portion of such Professional Fee Claim that the Bankruptcy Court determines is reasonable on or as soon as is reasonably practicable following the date on which the Bankruptcy Court enters an order determining reasonableness. The County, in the ordinary course of its business, and without the requirement for Bankruptcy Court approval, may pay for professional services rendered and expenses incurred following the Effective Date.

(d) Administrative Tax Claims.

Notwithstanding anything to the contrary in the Plan or in the Confirmation Order, a governmental unit shall not be required to file, make, or submit a request for payment (or any document, including a bill) of an expense described in Bankruptcy Code section 503(b)(1)(B) or (C) as a condition of its being an Allowed Administrative Claim, and the County shall pay in full all such Allowed Administrative Claims, including any interest related thereto, when due.

(e) No Other Priority Claims.

The only category of priority Claim incorporated into a chapter 9 case through Bankruptcy Code section 901(a) are Administrative Claims allowable under Bankruptcy Code section 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described in Section 2.2(b) above. No other kinds of priority claims set forth in Bankruptcy Code section 507 are recognized or entitled to priority in chapter 9 or in this Case, but rather are treated in chapter 9 and in this Case and classified in the Plan as General Unsecured Claims.

Section 2.3. Classification and Treatment of Classified Claims.

(a) Class 1-A (Sewer Warrant Claims).

Class 1-A consists of all Sewer Warrant Claims. Class 1-A is Impaired under the Plan. Class 1-A Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants giving rise to Class 1-A Claims and (ii) the amount of any Reinstated Sewer Warrant Principal Payments and Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants giving rise to Class 1-A Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-A Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims, and (z) allowing their Pro

Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-A Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive the right to choose between the following two Distribution options:

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

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims; and (ii) the retention of Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring such holder's Sewer Warrants, which Sewer Wrap Payment Rights shall not be waived or impaired.

- B. Regardless of the option selected, each holder of an Allowed Class 1-A Claim shall also receive on the Effective Date a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Principal Payments and any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a). No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the non-default rate on any Sewer Warrants after the Petition Date and (ii) any interest on interest on any Sewer Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-A Claims that make the Commutation Election as provided for in this Section 2.3(a) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A Claims and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer

Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election with respect to all Sewer Warrants held by each of the JPMorgan Parties and each Supporting Sewer Warrantholder, subject to the exceptions contained in Section 3(e) of the Supporting Sewer Warrantholder Plan Support Agreement.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-A Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(a) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(b) **Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims).**

Class 1-B consists of all Bank Warrant Claims and (to the extent not otherwise included) all Primary Standby Sewer Warrant Claims. Class 1-B is Impaired under the Plan. Class 1-B Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Bank Warrants giving rise to Class 1-B Claims; (ii) the amount of any Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Bank Warrants giving rise to Class 1-B Claims; and (iii) the Bank Warrant Default Interest Settlement Payments, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-B Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-B Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii)

the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-B Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-B Claims from or on behalf of the County consist of the following three components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims (including any Bank Warrant Default Interest Claims, provided that Bank Warrant Default Interest Settlements Payments, if applicable, shall be paid pursuant to component C. below) and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties; or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, a Distribution (x) on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants and (y) on the first Business Day that is at least thirty (30) calendar days after the entry of a Final Order allowing such Claims, of Cash from a reserve account to be funded on the Effective Date from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of any Allowed Bank Warrant Default Interest Claims held by such holder in full, final, and complete settlement, satisfaction, release, and exchange all of such holder's Class 1-B Claims.

- B. Regardless of the option selected, each holder of an Allowed Class 1-B Claim shall also receive on the Effective Date a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a). No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the Sewer Bank Rate on any Bank Warrants after the Petition Date and (ii) any interest on interest on any Bank Warrants after the Petition Date.

- C. In addition to the foregoing, each of the Sewer Liquidity Banks shall receive on the Effective Date a Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to such Sewer Liquidity Bank's respective specified portion of the Bank Warrant Default Interest Settlement Payments. By their acceptance of or non-objection to confirmation of the Plan, each other holder of an Allowed Class 1-B Claim shall have consented and agreed, pursuant to Bankruptcy Code section 1123(a)(4), to the Sewer Liquidity Banks' receipt of the Bank Warrant Default Interest Settlement Payments.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-B Claims that make the Commutation Election as provided for in this Section 2.3(b) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election and to waive any Bank Warrant Default Interest Claims held by such JPMorgan Party, Sewer Liquidity Bank, and Supporting Sewer Warrantholder, as applicable, with respect to all Bank Warrants held by each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-B Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

No additional or other Distributions will be made under the Plan to any Person on account of the Primary Standby Sewer Warrant Claims (to the extent not otherwise included within the Bank Warrant Claims).

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section

2.3(b) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

[Any and all Causes of Action arising in connection with or pursuant to the Syncora Settlement Agreement shall be included in the Sewer Released Claims, except with respect to any obligations of the Sewer Liquidity Banks to provide instructions to the Collateral/Custody Agent (as defined in the Syncora Settlement Agreement) to release the TMP Collateral (as defined in the Syncora Settlement Agreement) in accordance with section 4.4(b) of the Syncora Settlement Agreement, provided that such exception shall not be applicable once the Sewer Liquidity Banks have provided instructions to the Collateral/Custody Agent to release the TMP Collateral].

(c) **Class 1-C (Sewer Warrant Insurers Claims).**

Class 1-C consists of all Sewer Warrant Insurers Claims. Class 1-C is Impaired under the Plan. Class 1-C Claims shall be Allowed on the Effective Date in an aggregate amount, without duplication, equal to the sum of (i) the amount of the Sewer Warrant Insurers Claims, (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants held by the Sewer Warrant Insurers, and (iii) the Sewer Warrant Insurers Outlay Amount, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

The holders of Allowed Class 1-C Claims shall receive from or on behalf of the County on the Effective Date, in full, final, and complete settlement, satisfaction, release, and exchange of each such holder's Class 1-C Claims:

(i) an aggregate Distribution of \$165,000,000 in Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurers Agreements;

(ii) a separate aggregate Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be equal to the Non-Commutation True-Up Amount attributable to all Sewer Warrants insured by each Sewer Warrant Insurer under a Sewer Wrap Policy and held by Persons that elected not to make or were deemed not to make the Commutation Election;

(iii) a payment in full from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to each Sewer Warrant Insurer's Covered Tail Risk, to be paid or funded pursuant to each of the Tail Risk Payment Agreements;

(iv) Distributions of Cash on account of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, in each case if applicable and if any, in accordance with Section 4.6(a).

As part of the global settlement implemented under the Plan, the Sewer Warrant Insurers will be deemed to waive and release all Bank Warrant Default Interest Claims.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-C Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(c) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(d) Class 1-D (Other Specified Sewer Claims).

Class 1-D consists of all JPMorgan Sewer Revenue Indemnification Claims. Class 1-D is Impaired under the Plan.

All Claims in Class 1-D will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 1-D Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMS the sum of ten dollars (\$10.00) from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-D Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(d) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(e) Class 1-E (Sewer Swap Agreement Claims).

Class 1-E consists of all Sewer Swap Agreement Claims. Class 1-E is Impaired under the Plan.

The holders of Sewer Swap Agreement Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be

made to holders of Class 1-E Claims nor will such holders retain any property on account of such Claims, Class 1-E is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-E are not entitled to vote to accept or reject the Plan on account of such Claims.

(f) Class 1-F (Other Standby Sewer Warrant Claims).

Class 1-F consists of all Other Standby Sewer Warrant Claims. Class 1-F is Impaired under the Plan.

The holders of Other Standby Sewer Warrant Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-F Claims nor will such holders retain any property on account of such Claims, Class 1-F is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-F are not entitled to vote to accept or reject the Plan on account of such Claims.

(g) Class 2-A (Series 2004-A School Claims).

Class 2-A consists of all Series 2004-A School Claims. Class 2-A is Impaired under the Plan.

All Claims in Class 2-A will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-A Claim will on account of such holder's Class 2-A Claim retain all of such holder's rights and interests in its Series 2004-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2004-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2004-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency

of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any “orderly liquidation authority” under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.

- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-A Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-A Claims on account of the County’s retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the “Jefferson County Limited Obligation School Warrant Revenue Account” established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee’s rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2004-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-A Claims.

(h) Class 2-B (Series 2005-A School Claims).

Class 2-B consists of all Series 2005-A School Claims. Class 2-B is Impaired under the Plan.

All Claims in Class 2-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2005-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-B Claim will on account of such holder's Class 2-B Claim retain all of such holder's rights and interests in its Series 2005-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2005-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2005-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next

applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-B Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-B Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2005-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-B Claims.

(i) **Class 2-C (Series 2005-B School Claims and Standby School Warrant Claims).**

Class 2-C consists of all Series 2005-B School Claims and (to the extent not otherwise included) all Standby School Warrant Claims. Class 2-C is Impaired under the Plan.

All Claims in Class 2-C will be Allowed on the Effective Date. Each holder of an Allowed Class 2-C Claim will on account of such holder's Class 2-C Claim retain all of such holder's rights and interests in its Series 2005-B School Warrants, which will be repaid on the terms and conditions set forth in School Warrant Indenture and the Standby School Warrant Purchase Agreement, in each case as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture and the Standby School Warrant Purchase Agreement shall be modified on the Effective Date in the following respects:

- (i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the New Bank Rate.

- (ii) All School Warrant Events of Default under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (iii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, February 11, 2013, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013, and the Effective Date shall be deemed waived and of no further force or effect: (A) the pendency of the Case; (B) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the County’s retention of the Retained Amount in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Case notwithstanding any contrary provision of the School Warrant Indenture. In addition, all School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the Effective Date shall be deemed waived and of no further force or effect: (x) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; and (y) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.
- (iv) Provided that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, each holder of a Class 2-C Claim shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including under the School Insurance Policies. For the avoidance of doubt, if any School Warrant Events of Default (other than those waived pursuant to the provisions described in clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, the holders of Class 2-C Claims will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby School Warrant Purchase Agreement from and after the occurrence of such School Warrant Events of Default. The County will represent at the Confirmation Hearing that no School Warrant Events of Default (other than those waived

pursuant to clauses (ii) and (iii) immediately above) have occurred under the School Warrant Indenture or the Standby School Warrant Purchase Agreement during the period between February 11, 2013, and the date on which the Confirmation Hearing begins and will request that the Bankruptcy Court include such a finding in the Confirmation Order.

- (v) At least five (5) Business Days prior to the first interest payment date after the Effective Date, the County shall provide the True-Up Certificate to the School Warrant Trustee and direct the School Warrant Trustee: (X) to reduce the aggregate outstanding principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants, and (Y) to subtract the remainder of the True-Up Amount (after giving effect to the principal reduction referenced in clause (X) of this sentence) from the interest otherwise payable on such interest payment date on account of the Series 2005-B School Warrants. Holders of the Series 2005-B School Warrants shall take such actions as may be reasonably requested by the School Warrant Trustee to implement the principal reduction by the True-Up Amount as described herein.
- (vi) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.
- (vii) If the County causes a remarketing of or restructuring of any of the outstanding Series 2005-B School Warrants under the School Warrant Indenture, such remarketing or restructuring shall be for no less than 100% of such outstanding Series 2005-B School Warrants and the Standby School Warrant Purchase Agreement shall be replaced or cancelled contemporaneously with the closing of such remarketing or restructuring, thereby relieving Depfa Bank PLC from its obligations to provide liquidity support with respect to the Series 2005-B School Warrants. For the avoidance of doubt, the preceding sentence is intended to prohibit the County from remarketing or restructuring a portion of the Series 2005-B Warrants and leaving the Standby School Warrant Purchase Agreement in place; further, the preceding sentence is intended to require the County to remarket or restructure the Series 2005-B School Warrants on an all or none basis

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-C Claims shall consent to the execution of the School Warrant Second Supplemental Indenture, in a form acceptable to Depfa Bank PLC, by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-C Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

(j) Class 2-D (School Policy – General Claims).

Class 2-D consists of all School Policy – General Claims. Class 2-D is Impaired under the Plan.

All Claims in Class 2-D will be Allowed on the Effective Date. Notwithstanding anything to the contrary in the School Policy – General, the School Warrant Indenture, or the Standby School Warrant Purchase Agreement, the holders of Class 2-D Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-D Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(k) Class 2-E (School Surety Reimbursement Claims).

Class 2-E consists of all School Surety Reimbursement Claims. Class 2-E is Impaired under the Plan.

All Claims in Class 2-E will be Allowed on the Effective Date. Notwithstanding anything to the contrary in (i) the School Surety; (ii) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac; (iii) the School Warrant Indenture; or (iv) the Standby School Warrant Purchase Agreement, the holders of Class 2-E Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-E Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(l) Class 3-A (Board of Education Lease Claims).

Class 3-A consists of all Board of Education Lease Claims. Class 3-A is not Impaired under the Plan.

All Claims in Class 3-A will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-A Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. The holders of Board of Education Lease Warrants shall retain all of their limited payment rights and recourse against the collateral securing obligations under the Board of Education Lease Indenture. Consistent with the Board of Education Lease Indenture, the County has no general liability on account of the Board of Education Lease Claims, which fact will be unaltered by the Plan. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-A Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-A Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-A Claims. For the avoidance of doubt, the rights of the Board of Education Lease Trustee under the Board of Education Lease Indenture, including in respect of any unpaid Board of Education Lease Trustee Fee Claims, are unimpaired by the Plan.

(m) Class 3-B (Board of Education Lease Policy Claims).

Class 3-B consists of all Board of Education Lease Policy Claims. Class 3-B is not Impaired under the Plan.

All Claims in Class 3-B will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-B Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-B Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-B Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-B Claims.

(n) **Class 4 (Other Secured Claims, including Secured Tax Claims).**

Class 4 consists of all Other Secured Claims, including all Secured Tax Claims. Each Class 4 Claim shall constitute its own subclass. Class 4 is not Impaired under the Plan.

All Claims in Class 4 will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 4 Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. Unless the holder of an Allowed Class 4 Claim in a particular Class 4 subclass agrees to other treatment, on or as soon as is reasonably practicable after the Effective Date, such holder shall receive, at the County's option: (i) Cash in the Allowed amount of such holder's Allowed Class 4 Claim; (ii) the return of the collateral securing such Allowed Class 4 Claim, without representation or warranty by or recourse against the County; or (iii) (A) the cure of any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to such holder's Allowed Class 4 Claim, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (B) the reinstatement of the maturity of such Allowed Class 4 Claim as the maturity existed before any default, without recognition of any default rate of interest or similar penalty or charge; and (C) its unaltered legal, equitable, and contractual rights with respect to such Allowed Class 4 Claim.

The Bankruptcy Court shall retain jurisdiction to determine the amount necessary to satisfy any Allowed Class 4 Claim for which treatment is elected under clause (i) or clause (iii) of the immediately foregoing paragraph. With respect to any Allowed Class 4 Claim for which treatment is elected under clause (i), any holder of such Allowed Class 4 Claim shall release (and by the Confirmation Order shall be deemed to release) all liens against property of the County.

(o) **Class 5-A (Series 2001-B GO Claims and Standby GO Warrant Claims).**

Class 5-A consists of all Series 2001-B GO Claims and (to the extent not otherwise included) all Standby GO Warrant Claims. Class 5-A is Impaired under the Plan.

All Claims in Class 5-A will be Allowed on the Effective Date. However, with the exception of Claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of the BLB GO Claim and the JPMorgan GO Claim), the additional settlement payments set forth in this Section 2.3(o), and the reasonable fees and expenses of the GO Warrant Trustee, the GO Warrant Trustee and the GO Banks will waive and release all other asserted Claims in Class 5-A, including on account of default rate interest, the GO Banks' fees and expenses, and postpetition interest, which will receive no Distribution under the Plan.

On the Effective Date each holder of an Allowed Class 5-A Claim shall receive, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Series 2001-B GO Claims, a Pro Rata Distribution of Replacement 2001-B GO Warrants, which will be repaid on the terms set forth in the Amended and Restated GO Warrant Indenture. In addition, the County shall pay the following amounts in Cash on the Effective Date as consideration for the

settlement, waiver, and release of additional prepetition Claims under the Standby GO Warrant Purchase Agreement: (i) \$500,000 payable to BLB and (ii) \$250,000 payable to JPMorgan Chase Bank, N.A.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2001-B GO Warrants and the Replacement 2001-B GO Warrants.

In accordance with the GO Warrant Indenture, the County shall pay all reasonable fees and expenses of the GO Warrant Trustee, including the fees and expenses of its agents and counsel, in Cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) Business Days after the Effective Date. Nothing in the Plan is intended to or will affect the rights and priorities granted to the GO Warrant Trustee pursuant to Sections 12.3(b) and 13.7(b) of the GO Warrant Indenture.

(p) Class 5-B (Series 2003-A GO Claims).

Class 5-B consists of all Series 2003-A GO Claims. Class 5-B is not Impaired under the Plan.

All Claims in Class 5-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2003-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-B Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-B Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2003-A and in its Series 2003-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants, the Series 2003-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2003-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2003-A GO Warrants.

(q) Class 5-C (Series 2004-A GO Claims).

Class 5-C consists of all Series 2004-A GO Claims. Class 5-C is not Impaired under the Plan.

All Claims in Class 5-C will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-C Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-C Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2004-A and in its Series 2004-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2004-A GO Warrants, the Series 2004-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2004-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2004-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2004-A GO Warrants.

(r) Class 5-D (GO Policy Claims).

Class 5-D consists of all GO Policy Claims. Class 5-D is Impaired under the Plan.

All Claims in Class 5-D will be Allowed on the Effective Date, and National shall receive the following payments, in full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-D Claims:

(i) the County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(ii) the County will pay \$2,880,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(iii) The County will pay \$2,965,000.00 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015;

(iv) as a compromise and settlement of the National Fees and Expenses Claims, the County will pay National \$1,500,000 in Cash on the Effective Date;

(v) as a compromise and settlement of the National Reimbursement Claims, including National's contention that the National Reimbursement Claims constitute a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the National Reimbursement Payments; *provided, however,* that at any time on or after Effective Date, the County shall have the option to prepay the National Reimbursement Payments in whole or in part without premium or penalty, which prepayment option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the National Reimbursement Payments that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date; and

(vi) The County's obligations to National under the Plan (other than with respect to payment of the National Reimbursement Payments, which obligations will bear no interest) will bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

From and after the Effective Date, the GO Insurance Policies and the GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants and the Series 2004-A GO Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the GO Insurance Policies.

(s) **Class 5-E (GO Swap Agreement Claims).**

Class 5-E consists of all GO Swap Agreement Claims. Class 5-E is Impaired under the Plan.

All Claims in Class 5-E will be Allowed on the Effective Date in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-E Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMorgan Chase Bank, N.A. the sum of ten dollars (\$10.00).

(t) **Class 6 (General Unsecured Claims).**

Class 6 consists of all General Unsecured Claims. Class 6 is Impaired under the Plan.

Holders of Allowed Class 6 Claims will receive a Pro Rata Distribution from the General Unsecured Claims Pool on the GUC Payment Date.

Notwithstanding the foregoing, on the Effective Date, (i) JPMS will waive and release any and all rights to receive any Distribution under the Plan on account of the JPMorgan Asserted Recourse Indemnification Claims; (ii) the Sewer Warrant Insurers will waive and release any all rights to receive any Distribution under the Plan on account of their respective Asserted Full Recourse Sewer Claims; and (iii) no Distribution will be made under the Plan on account of the Sewer Warrant Trustee's Asserted Recourse Claim. For the avoidance of doubt, no Asserted Full Recourse Sewer Claims shall be allowed under the Plan, and the County reserves all its rights to dispute any Asserted Full Recourse Sewer Claims that are not waived and released under the Plan (including with respect to the allowance, amount, and priority of any such Claims) after the Effective Date.

(u) Class 7 (Bessemer Lease Claims).

Class 7 consists of all Bessemer Lease Claims. Class 7 is Impaired under the Plan.

All Claims in Class 7 will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of the Bessemer Lease Claims, the County shall recognize and perform all of its obligations under the Bessemer Stipulation, including with respect to the New Bessemer Lease. The holders of Class 7 Claims will not receive any additional or other Distributions under the Plan beyond those that such holders receive as a result of the County's performance under the Bessemer Stipulation.

(v) Class 8 (Other Unimpaired Claims).

Class 8 consists of all Consent Decree Claims, Deposit Refund Claims, Employee Compensation Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims. Class 8 is not Impaired under the Plan.

Notwithstanding any other term or provision of the Plan, the legal, equitable, and contractual rights of the holders of Class 8 Claims are unaltered by the Plan, and the Plan leaves unaltered the legal, equitable, and contract rights of all Persons with respect to the Other Unimpaired Claims. Without limitation, the County retains all Causes of Action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Other Unimpaired Claims.

(w) Class 9 (Subordinated Claims).

Class 9 consists of all Subordinated Claims. Class 9 is Impaired under the Plan.

The holders of Subordinated Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 9 Claims nor will such holders retain any property on account of such Claims, Class 9 is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 9 are not entitled to vote to accept or reject the Plan on account of such Claims.

Section 2.4. Impaired Classes to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each holder of a Claim in an Impaired Class as of the Ballot Record Date shall be entitled to vote to accept or reject the Plan as provided in the Plan Procedures Order, or in any other order or orders of the Bankruptcy Court.

Section 2.5. Classification Controversies.

(a) If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

(b) If the Bankruptcy Court finds that the classification of any Claim other than a Sewer Debt Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan.

(c) If the Bankruptcy Court finds that the classification of any Sewer Debt Claim is improper, then, subject to Section 2.5(d), such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in the Class (which may or may not be a Class presently set forth in Section 2.3) in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan, and the holder of such Claim shall receive the same treatment under the Plan as is presently set forth in the Class from which such Claim was reclassified.

(d) If as a result of the reclassification of any Sewer Debt Claim pursuant to Section 2.5(c), or in connection with any amendment to the Plan or otherwise, the Plan is no longer an "Acceptable Plan" for purposes of any Sewer Plan Support Agreement, then notwithstanding Section 2.5(c), all Ballots cast as required by such Sewer Plan Support Agreement shall be deemed withdrawn, null, and void unless the voting party to the applicable Sewer Plan Support Agreement has reaffirmed its Ballot in writing. Nothing in this Section 2.5 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement.

Section 2.6. No Section 1111(b)(2) Elections.

Pursuant to Bankruptcy Code section 927, the election under Bankruptcy Code section 1111(b)(2) is not available to holders of Special Revenues Claims under the Plan.

Section 2.7. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

Section 2.8. Cramdown.

With respect to any Impaired Class of Claims that fails to accept the Plan, the County requests that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b), subject to any applicable Plan Support Agreement.

ARTICLE III
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 3.1. Assumption of Certain Executory Contracts and Unexpired Leases.

(a) Assumption of Agreements.

On the Effective Date the County shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements.

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.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include 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 executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

The Confirmation Order will constitute a Bankruptcy Court order approving the assumption, on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule of Assumed Agreements.

(b) Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash, within ten (10) Business Days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the County to provide "adequate assurance of future performance" within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the County unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

(c) **Objections to Assumption/Cure Payment Amounts.**

Any Person that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served on the County on or before **October 21, 2013**. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by a Person that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any cure and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that the County has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

(d) **Resolution of Claims Relating to Assumed Contracts and Leases.**

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or postpetition arrearage or other Claim (including any Claim asserted in a Filed proof of Claim or listed on the List of Creditors) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

Section 3.2. Rejection of Executory Contracts and Unexpired Leases.

(a) **Rejected Agreements.**

On the Effective Date all executory contracts and unexpired leases that the County entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the County and (ii) are not set forth on the Schedule of Assumed Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired leases that have been previously assumed or assumed and assigned pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

(b) Rejection Bar Date.

Any Rejection Damage Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the County by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the County and its property, and Persons holding such Claims will not receive and be barred from receiving any Distributions on account of such untimely Claims.

Section 3.3. Postpetition Contracts and Leases.

Except as expressly provided in the Plan or the Confirmation Order, all executory contracts and unexpired leases that the County has entered into after the Petition Date with due authorization of the County Commission will be assumed and retained by the County and will remain in full force and effect from and after the Effective Date.

ARTICLE IV
MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

Section 4.1. Consent Under Bankruptcy Code Section 904.

Pursuant to and for purposes of Bankruptcy Code section 904, the County consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

Section 4.2. Continued Governance of the County and the Sewer System.

From and after the Effective Date, the County Commission shall continue to govern the County and shall continue to administer, control, manage, and operate the property and enterprises of the County (including the Sewer System) in accordance with the Plan, the County's constituent documents, any applicable indentures or other governing contracts, the Alabama Constitution, applicable statutes of the State of Alabama, the EPA Consent Decree, the Personnel Board Consent Decree, and other applicable laws.

Section 4.3. Application of the Approved Rate Structure.

From and after the Effective Date, the Confirmation Order shall constitute a conclusive finding and determination that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6) and applicable state law, and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County in accordance with the Plan and under all applicable state and federal laws. From and after the Effective Date, 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).

Section 4.4. Retention of Assets Generally.

Except as otherwise expressly provided in the Plan, all assets and properties of the County shall be retained by the County on the Effective Date, free and clear of all Claims, liens, encumbrances, charges, and interests. From and after the Effective Date, the County may conduct its affairs and use, acquire, and dispose of any assets or property without supervision by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

Section 4.5. Certain Transactions on the Effective Date.

(a) On the Effective Date the County shall issue the New Sewer Warrants under the New Sewer Warrant Indenture. The gross proceeds generated by the issuance of the New Sewer Warrants shall first be utilized to pay the Put Consideration.

(b) On the Effective Date the County shall issue and deliver the Replacement 2001-B GO Warrants under in the Amended and Restated GO Warrant Indenture, along with the initial payments required on the Effective Date pursuant to the Replacement 2001-B GO Warrants and Section 2.3(o).

(c) On or before the Effective Date, the County shall enter into the Tail Risk Payment Agreements with each Sewer Warrant Insurer and on the Effective Date pay or fund in full an amount equal to each Sewer Warrant Insurer's respective Covered Tail Risk.

(d) Only if the County and the School Warrant Trustee agree that such a supplemental indenture is necessary and appropriate and agree on the form and substance of such supplemental indenture prior to the deadline for filing the Plan Supplement, on the Effective Date the County shall execute the School Warrant Second Supplemental Indenture.

Section 4.6. Disposition of the Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, and Refinancing Proceeds.

(a) As a proposed settlement incorporated into the Plan pursuant to Bankruptcy Rule 9019 of any and all Causes of Action and matters raised in or that could have been raised in the Declaratory Judgment Action, and any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or any Causes of Action related to the reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants, (i) on the Effective Date, Cash in amounts equal to the Reinstated Sewer Warrant Principal Payments (without giving effect to any acceleration or any accelerated redemption schedule), the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount shall be distributed by the Sewer Warrant Trustee to the applicable parties from the Accumulated Sewer Revenues, including with respect to the Sewer Warrants held by the Sewer Plan Support

Parties; (ii) for purposes of Distributions under the Plan, no payments made during the Case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Sewer Warrant Principal Payments) shall be applied or recharacterized to reduce principal; and (iii) no Distributions shall be made on account of postpetition interest accrued on any Sewer Warrants in excess of pre-default rates or, with respect to Bank Warrants, the Sewer Bank Rate.

(b) On the Effective Date the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to satisfy the Sewer Warrant Trustee Fee Claims to the extent unpaid but permitted to be paid under the Sewer Warrant Indenture and to reserve an amount equal to the Sewer Warrant Trustee Residual Fee Estimate. Any such application and reserve by the Sewer Warrant Trustee shall fully, finally, and completely satisfy, discharge, and release all Sewer Warrant Trustee Fee Claims. If and only if there is an Unused Covered Tail Risk Amount, the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to establish a reserve for Sewer Wrap Payment Rights Administration Expenses to the extent and in the amount of the Unused Covered Tail Risk Amount, which the Sewer Warrant Trustee may thereafter invest in an interest-bearing account and utilize to satisfy Sewer Wrap Payment Rights Administration Expenses as such expenses become due. The County shall have no obligation to pay, fund (including from Accumulated Sewer Revenues, Sewer Warrant Indenture Funds, or Refinancing Proceeds), or otherwise provide for any Sewer Wrap Payment Rights Administration Expenses beyond the Unused Covered Tail Risk Amount and such interest as may be obtained through the Sewer Warrant Trustee's investment of the reserve established with the Unused Covered Tail Risk Amount. If the Unused Covered Tail Risk Amount is less than the Sewer Wrap Payment Rights Administration Expenses and if any applicable Sewer Warrant Insurers will not provide a source of payment for the Sewer Wrap Payment Rights Administration Expenses in excess of the Unused Covered Tail Risk Amount on terms acceptable to the Sewer Warrant Trustee, then the Sewer Warrant Trustee shall have no obligation or responsibility to perform any action that would give rise to Sewer Wrap Payment Rights Administration Expenses.

(c) On the Effective Date, the Sewer Warrant Trustee or the County, as the case may be, shall apply the following funds in the following order for purposes of making the Distributions provided under the Plan for holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D:

- (1) first, all Sewer Warrant Indenture Funds remaining after giving effect to the application permitted or required by Section 4.6(b),
- (2) second, all Remaining Accumulated Sewer Revenues, and
- (3) third, Refinancing Proceeds.

(d) On the Effective Date, all Refinancing Proceeds remaining after giving effect to the usage permitted or required by Section 4.6(c) shall be applied in accordance with the New Sewer Warrant Indenture.

Section 4.7. Commutation Election Protocols and Effect on the Sewer Insurance Policies.

(a) Presumptions Regarding the Commutation Election.

All holders of Claims in Class 1-A and Class 1-B that (i) do not return any Ballot by the Ballot Deadline, (ii) return a Ballot by the Ballot Deadline but do not make any election with respect to the Commutation Election, or (iii) return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (x) any holders of the Series 2003-B-8 Sewer Warrants that either do not return a Ballot, do not indicate an election on any Ballot that is returned by the Ballot Deadline, or return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election, and (y) any holders of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the Commutation Election will be sent a notice pursuant to the Plan Procedures Order under which such holders will have an opportunity to rescind the deemed Commutation Election and, upon such rescission, shall be deemed not to have made the Commutation Election for all purposes under the Plan and shall have their Series 2003-C-9 Through C-10 Sewer Claims be treated in accordance with Option 2 of Section 2.3(a).

(b) Plan's Effect on the Sewer Insurance Policies.

As a result of the satisfaction and discharge of all Sewer Debt Claims and the cancellation of the Sewer Warrants and the Sewer Warrant Indenture under the Plan, on the Effective Date (i) the Sewer DSRF Policies and the Sewer DSRF Reimbursement Agreements will be cancelled and of no further force or effect; (ii) the Sewer Warrant Trustee will close the "Jefferson County Sewer System Debt Service Reserve Fund" under the Sewer Warrant Indenture and return any surety bonds or other documentation evidencing the Sewer DSRF Policies to the applicable Sewer Warrant Insurer; and (iii) the Sewer Wrap Policies will be cancelled and of no further force or effect except with respect to any Sewer Wrap Payment Rights, and such Sewer Wrap Policies (in the case of FGIC, as modified by any plan of rehabilitation) shall remain in full force and effect with respect to such Sewer Wrap Payment Rights.

Section 4.8. Compromise and Settlement of All Sewer Debt-Related Issues.

(a) Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, in consideration of the settlement and release of all Sewer Released Claims and the treatment and consideration provided under the Plan for Allowed Class 1-A, Class 1-B, Class 1-C, and Class 1-D Claims, the Plan incorporates and is expressly conditioned upon the approval and effectiveness of a comprehensive compromise and settlement by and among the County and the Sewer Plan Support Parties of numerous issues and disputes related to the Sewer System, the Sewer Released Claims, and the allowance and treatment of the Sewer Debt Claims. As of the Effective Date, the Plan accordingly represents a full, final, and complete compromise, settlement, release, and resolution of, among other matters, disputes and pending or potential litigation (including any appeals) regarding the following: (i) the allowability, amount, priority, and treatment of the Sewer Debt Claims; (ii) the validity or

enforceability of the Sewer Warrants; (iii) the valuation of the Sewer System and of the stream of net sewer revenues pledged under the Sewer Warrant Indenture; (iv) the appropriate rates that have been or can be charged to users of the Sewer System; (v) any Causes of Action or Avoidance Actions that the County has asserted or could potentially assert against the JPMorgan Parties or against other of the Sewer Plan Support Parties, including any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vi) the Sewer Released Claims that (A) some of the Sewer Plan Support Parties have asserted or (B) the Sewer Plan Support Parties could potentially assert against other Sewer Plan Support Parties, including, in each case, any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vii) how the Sewer Warrant Trustee has applied revenues of the Sewer System to payment of certain Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants; (viii) the various issues raised by the Declaratory Judgment Action; (ix) the scope and extent of any liens or other property rights under the Sewer Warrant Indenture; (x) the allowance and amount of any Bank Warrant Default Interest Claims; (xi) the various issues raised by the Receivership Actions; and (xii) other historical and potential issues associated with the Sewer System and its financing.

(b) This comprehensive compromise and settlement will be binding on the County, on all Persons who have asserted or could assert any potential Causes of Action or Avoidance Actions for or on behalf of the County in any fashion, including derivatively or directly, and on all Creditors concerning the Sewer Released Claims compromised and settled under the Plan (including as described in Section 4.8(a)) in any pending or potential litigation (including any appeals) before any court or agency. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of disputed Sewer Released Claims inextricably bound with the Plan. As such, the approval and consummation of the Plan will conclusively bind all Creditors and other parties in interest, and the releases and settlements effected under the Plan will be operative as of the Effective Date and subject to enforcement by the Bankruptcy Court from and after the Effective Date, including pursuant to the injunctive provisions of Sections 6.2 and 6.3.

(c) In order to give effect to this comprehensive compromise and settlement, (i) any adversary proceedings or contested matters involving Sewer Released Claims shall be dismissed effective as of the Effective Date; and (ii) in connection with the occurrence of the Effective Date, each of the County, the Sewer Plan Support Parties, and the Sewer Warrant Trustee (as applicable) shall file in other appropriate courts stipulations of dismissal among the applicable parties or motions to dismiss any pending litigation (including any appeals) commenced by the County, any of the Sewer Plan Support Parties, or the Sewer Warrant Trustee against the County or any of the Sewer Plan Support Parties with prejudice, with such dismissals to be effective on and contingent upon the occurrence of the Effective Date.

Section 4.9. JPMorgan Reallocation of Distributions and Consideration Provided by the Sewer Warrant Insurers.

(a) The Sewer Warrant Claims and Bank Warrant Claims held by the JPMorgan Parties shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants held by the JPMorgan Parties and (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to such Sewer Warrants, and shall be classified in Class 1-A and Class 1-B, respectively. Notwithstanding the general treatment afforded to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, as part of the global settlement among the County, the JPMorgan Parties, and the other Sewer Plan Support Parties to be implemented pursuant to the Plan pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, and in consideration of the settlement and release of all Sewer Released Claims against the JPMorgan Parties as provided herein, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein, to make the Commutation Election with respect to all Sewer Warrants held by the JPMorgan Parties (but without receiving the higher recovery being made available to all other holders of Sewer Warrants that make or are deemed to make the Commutation Election) and to reallocate to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims a substantial portion of the JPMorgan Parties' Pro Rata share of the Distribution made to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, thereby increasing the recovery received by all other holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims and reducing the amount of Sewer System indebtedness following the County's emergence from chapter 9. As a result of such reallocation by the JPMorgan Parties and the contributions by the Sewer Warrant Insurers detailed below, each holder of an Allowed Class 1-A Claim or an Allowed Class 1-B Claim (other than the JPMorgan Parties) will receive, in full settlement, satisfaction, release, and exchange of such holder's Claims, a Distribution of Cash from Refinancing Proceeds and other sources of Cash in one of the two amounts specified in Option 1 and Option 2 of Sections 2.3(a) and 2.3(b). Such Distribution is higher than such holders' Pro Rata share of the Distribution made to all holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims; and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims. The sources of the incremental recovery to those holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties; and (ii) consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B

Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election on account of such Claims. The source of the Non-Commutation True-Up Amount and the Covered Tail Risk to be paid to the Sewer Warrant Insurers pursuant to Section 2.3(c) shall also be from the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties.

(b) Based upon the agreements of the Supporting Sewer Warranholders set forth in Section 5 of the Supporting Sewer Warranholder Plan Support Agreement, which agreement was reached in order to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein and in the Supporting Sewer Warranholder Plan Support Agreement, to reallocate and distribute to each Supporting Sewer Warranholder a portion of the JPMorgan Parties' Cash recovery under the Plan after giving effect to the reallocations described in Section 4.9(a) above in an amount (such amount so reallocated and distributed, the "Supporting Sewer Warranholder Directed Distribution") equal to (i) the principal amount of Eligible Sewer Warrants held by such Supporting Sewer Warranholder as of the Distribution Record Date, multiplied by (ii) 3.46%; *provided, however*, that the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 of the Supporting Sewer Warranholder Plan Support Agreement on the date of execution thereof, and the aggregate amount of the Supporting Sewer Warranholder Directed Distribution shall not exceed the product of the total set forth on Schedule 1 of the Supporting Sewer Warranholder Plan Support Agreement multiplied by 3.46%. Subject to the terms and conditions set forth herein and in the Supporting Sewer Warranholder Plan Support Agreement, on or before the Effective Date, the JPMorgan Parties shall provide irrevocable directions to the County and the Sewer Warrant Trustee to reallocate and Distribute to each Supporting Sewer Warranholder, instead of to the JPMorgan Parties, such Supporting Sewer Warranholder's Pro Rata share of the Supporting Sewer Warranholder Directed Distribution.

(c) Accordingly, after giving effect to the reallocations described in Section 4.9(a) and the Supporting Sewer Warranholder Directed Distribution, the JPMorgan Parties shall receive, on the Effective Date, Cash in the amount of approximately 31% (approximately \$375 million) of the Adjusted Sewer Warrant Principal Amount of Sewer Warrants held by the JPMorgan Parties (approximately \$1.218 billion) plus a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a) in full, final, and complete settlement, satisfaction, release, and discharge of all Sewer Debt Claims and Sewer Released Claims held by the JPMorgan Parties. After giving effect to the concessions by the JPMorgan Parties and the Sewer Warrant Insurers described above and the settlements and releases to be implemented pursuant to the Plan, the Sewer Debt Claims held by the JPMorgan Parties and the Sewer Warrant Insurers shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Section 4.10. Cancellation of Warrants and Other Documents.

(a) On the Effective Date, except to the extent otherwise expressly provided in the Plan, all agreements, certificates, indentures, instruments, notes, resolutions, warrants, and other documents evidencing indebtedness of the County, and all liens, mortgages, pledges, grants,

trusts, and other interests relating thereto, shall be automatically cancelled, and all obligations of the County thereunder or in any way related thereto shall be discharged. Without limitation and in addition to the provisions of Section 4.7(b), on the Effective Date (i) the Sewer Warrants will be discharged and cancelled, provided that such discharge and cancellation shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights; (ii) the Sewer Warrant Indenture will be cancelled and of no further force or effect other than for purposes of allowing the Sewer Warrant Trustee to calculate and make Distributions in accordance with the Plan, to seek and obtain dismissals of the Receivership Actions and other applicable pending litigation, and, if applicable, to pursue and administer the Sewer Wrap Payment Rights after the Effective Date (which, for the avoidance of doubt, will impose no cost or expense on the County beyond any Unused Covered Tail Risk Amount); (iii) the Sewer Swap Agreements will be cancelled and of no further force or effect; (iv) the Standby Sewer Warrant Purchase Agreements will be cancelled and of no further force or effect; (v) the Standby GO Warrant Purchase Agreement will be cancelled and of no further force or effect; (vi) the GO Warrant Indenture will be superseded in all respects by the Amended and Restated GO Warrant Indenture; (vii) the Series 2001-B GO Warrants will be cancelled and superseded in all respects by the Replacement 2001-B GO Warrants; and (viii) the GO Swap Agreement will be cancelled and of no further force or effect. From and after the Effective Date, all Plan Support Agreements will be terminated and superseded in all respects by the Plan, except with respect to any provisions that specifically survive termination of the Plan Support Agreements in accordance with their respective terms.

(b) For the avoidance of doubt, the Plan will not cancel or otherwise alter any of the following documents or instruments except to the extent otherwise expressly provided in the Plan: (i) the Board of Education Lease Indenture, (ii) the Board of Education Lease Policy, (iii) the Board of Education Lease Warrants, (iv) the GO Insurance Policies, (v) the GO Resolutions, (vi) the New Bessemer Lease, (vii) the School Insurance Policies, (viii) the School Warrant Indenture, (ix) the School Warrants, (x) the Series 2003-A GO Warrants, (xi) the Series 2004-A GO Warrants, and (xii) the Standby School Warrant Purchase Agreement.

Section 4.11. Termination of Receiver and Dismissal of Receivership Actions.

As a result of the satisfaction and discharge of all Sewer Debt Claims, as well as the cancellation of the Sewer Warrants, the Sewer Warrant Indenture, and the Sewer Insurance Policies (as applicable) under the Plan, from and after the Effective Date, the Receiver's status as receiver of the Sewer System will be terminated and of no further force or effect. On or as soon as reasonably practicable after the Effective Date, the Sewer Warrant Trustee shall pay all of the Receiver's unpaid reasonable fees (including fees of its counsel and experts) and expenses from the Sewer Warrant Indenture Funds and shall dismiss (or obtain any court orders as are necessary to dismiss) each of the Receivership Actions in their entirety and with prejudice.

Section 4.12. Vesting of Preserved Claims.

All Preserved Claims shall be preserved and shall vest in the County on the Effective Date, but only to the extent not expressly released pursuant to the Plan, the Confirmation Order, or any other order of the Bankruptcy Court. From and after the Effective Date, the County shall

retain its exclusive right, power, and duty to administer the collection, prosecution, enforcement, settlement, or abandonment of the Preserved Claims in the County's sole and absolute discretion.

Section 4.13. Exemption from Securities Law.

(a) The issuance of the Replacement 2001-B GO Warrants and the New Sewer Warrants are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and all rules and regulations promulgated thereunder. In general, securities issued by the County, such as general obligation warrants and sewer revenue warrants, are exempt from registration under section 3(a)(2) of the 1933 Act. Obligations issued by the County likewise are exempt from registration under current Alabama securities law. These exemptions from registration apply to the New Sewer Warrants and the Replacement 2001-B GO Warrants.

(b) The New Sewer Warrants will be publically offered. Therefore, the County intends to rely on generally applicable securities law exemptions for the offering and sale of the New Sewer Warrants, provided that the County does not expect to offer the New Sewer Warrants in states in which registration of County securities may be required by applicable state securities law, unless first registered or otherwise qualified for sale in such jurisdiction. The Replacement 2001-B GO Warrants will not be publically offered but instead will be issued to the GO Banks pursuant to the Plan. The Replacement 2001-B GO Warrants and the New Sewer Warrants issued in exchange for Sewer Warrants under the Put Agreement will also be exempt from registration under federal or state securities law to the maximum extent provided under Bankruptcy Code section 1145.

(c) Like the exemption from registration provided the County under section 3(a)(2) of the 1933 Act, generally applicable securities laws provide an exemption from qualification for certain trust indentures entered into by government entities. The New Sewer Warrant Indenture and the Amended and Restated GO Indenture are each exempt from qualification under section 304(a)(4) of the Trust Indenture Act of 1939.

(d) Nothing in the Plan is intended to preclude the Securities and Exchange Commission from performing its statutory duties regarding any Person in any forum with proper jurisdiction.

Section 4.14. Objections to Claims.

(a) County's Exclusive Right to Object.

The County shall have the right to object to the allowance of Claims as to which liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). Except as otherwise provided herein, the County's rights to object to, oppose, and defend against all Claims on any basis are fully preserved. Unless otherwise ordered by the Bankruptcy Court, the County shall file and serve any such objections on or before the Claims Objection Deadline. After the Effective Date, the County shall have the sole right and authority to control and effectuate the Claims reconciliation process, including to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) **Distributions Following Allowance.**

At such time as a Contingent Claim, a Disputed Claim, or an Unliquidated Claim becomes an Allowed Claim, in whole or in part, including pursuant to the Plan, the County or its agent shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions, if any, shall be made as soon as practicable after the date on which the order or judgment allowing such Claim becomes a Final Order (or such other date on which the Claim becomes an Allowed Claim, including pursuant to the Plan). Unless otherwise specifically provided in the Plan or allowed by a Final Order of the Bankruptcy Court, no interest shall be paid on Contingent Claims, Disputed Claims, or Unliquidated Claims that later become Allowed Claims.

Section 4.15. Distributions Under the Plan.

Unless otherwise provided in the Plan, the following procedures apply to Distributions.

(a) **Responsibility for Making Distributions.**

The County or its designated agents, including the Indenture Trustees and the GO Paying Agents under Section 4.15(e)(iv), shall be responsible for distributing all Distributions made to them for the benefit of the holders of the respective underlying warrants as required under the Plan and, unless otherwise specified in the Plan, pursuant to the applicable operative documents. To the extent applicable, the County or its designated agents shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit with respect to such Distributions, and all Distributions shall be subject to such withholding and reporting requirements.

(b) **No De Minimis Distributions.**

Notwithstanding anything to the contrary in the Plan, with the exception of Distributions on account of Class 1-D Claims and Class 5-E Claims, no Cash payment of less than fifty dollars (\$50.00) will be made to any Person; *provided, however*, that solely with respect to Distributions from the General Unsecured Claims Pool, if the right to payment of a holder of Allowed Class 6 Claims does not exceed fifty dollars (\$50.00) on the GUC Payment Date, then such holder will receive a Cash payment in an amount equal to such holder's entitlement. No consideration will be provided in lieu of the *de minimis* Distributions that are not made pursuant to this Section 4.15(b), and the County shall be authorized and empowered to retain such *de minimis* amounts for its own benefit.

(c) **No Distributions With Respect to Certain Claims.**

Notwithstanding anything to the contrary in the Plan, no Distributions or other consideration of any kind shall be made on account of any Contingent Claim, Disputed Claim, or Unliquidated Claim unless and until such Claim becomes an Allowed Claim, or is deemed to be such for purposes of distribution, and then only to the extent that such Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim.

(d) Distributions to Holders as of the Distribution Record Date.

(i) General Principles.

At the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holder of any Claim. The County or any other Person responsible for making Distributions shall have no obligation to recognize any transfer of any Claim occurring or purportedly occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Distribution Record Date.

(ii) Specific Exceptions.

The general principles set forth in Section 4.15(d)(i) will not apply to Claims arising from the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants (other than any GO Policy Claims), or the Series 2004-A GO Warrants (other than any GO Policy Claims). Subject in all cases to the treatment provided under the Plan, nothing in the Plan will limit the rights of a holder of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants to assign, sell, pledge, hypothecate, or otherwise transfer its warrants to the extent permitted by such warrants, any other applicable operative agreements, and applicable nonbankruptcy law. Subject to the terms of the applicable operative agreements and any requirements under applicable nonbankruptcy law, the County and any applicable Indenture Trustee or GO Paying Agent shall recognize and give effect to assignments, sales, pledges, hypothecations, or other transfers of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants regardless whether such assignments, sales, pledges, hypothecations, or other transfers were made or settled before, on, or after the Distribution Record Date.

(e) Delivery of Distributions; Undeliverable/Unclaimed Distributions.

(i) Delivery of Distributions in General.

The County or its designated agents shall make Distributions to each holder of an Allowed Claim as follows: (A) by mail at the address set forth on the proof of Claim Filed by such holder in respect of such Allowed Claim, unless such holder has provided written notice of address change to the County; (B) by mail at the address set forth in any written notice of address change delivered to the County after the date of any related proof of Claim; (C) by mail at the address reflected in the List of Creditors if no proof of Claim is filed and the County has not received a written notice of a change of address; or (D) through the facilities of DTC for the benefit of the holders of Allowed Sewer Debt Claims. Notwithstanding the foregoing, the County shall make Distributions on account of Allowed Class 1-C Claims directly to holders of Class 1-C Claims pursuant to directions provided to the County by the Sewer Warrant Insurers, and the County and Sewer Warrant Insurers shall provide such information as is necessary in order to prevent the Sewer Warrant Trustee or DTC from making any additional or other Distributions on account of any Allowed Class 1-C Claims.

(ii) Undeliverable and Unclaimed Distributions.

If the County tenders an Undeliverable Distribution, the issuing entity may cancel the distribution check and need not re-attempt delivery, unless the County timely receives notification of the holder's new address before the deadlines described below. If the County tenders an Unclaimed Distribution, the issuer may cancel the distribution check, and need not attempt redelivery, except as otherwise provided herein.

The County shall reserve the funds with respect to all Undeliverable Distributions and Unclaimed Distributions for one (1) year following the Effective Date. If the County does not receive prior to that date a written request from the holder of the applicable Allowed Claim asserting entitlement to an Undeliverable Distribution or Unclaimed Distribution and providing a current address, then the County shall be authorized and empowered to retain such funds for its own benefit.

Any holder of an Allowed Claim that does not assert in writing its entitlement to an Undeliverable Distribution or Unclaimed Distribution, by the applicable dates set forth in the foregoing paragraphs, shall no longer have any interest in or be entitled to such undelivered or unclaimed Distribution and shall be barred forever from receiving any Distributions under the Plan, or from asserting a Claim against the County or its property, and the right to such undeliverable or unclaimed Distribution will be discharged.

For the avoidance of doubt, the foregoing provisions regarding Undeliverable Distributions or Unclaimed Distributions will not apply to Distributions made on account of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D.

Nothing contained in the Plan shall require the County or its designated agents to attempt to locate any holder of an Allowed Claim.

(iii) Estimation of Certain Claims for Distribution Purposes.

The County may move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim. The estimated amount of any Claim so determined by the Bankruptcy Court shall constitute the maximum recovery that the holder thereof may recover after the ultimate liquidation of its Claim, irrespective of the actual amount that is ultimately Allowed.

(iv) Certain Distributions to be Made to the Indenture Trustees or the GO Paying Agents.

(A) Sewer Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Sewer Warrant Claims, Bank Warrant Claims, and Primary Standby Sewer Warrant Claims shall be made by the County in aggregate, lump-sum payments to the Sewer Warrant Trustee, and will in turn be distributed by the Sewer Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses,

fees, indemnities, or other amounts (all of which will be deemed satisfied pursuant to Section 4.6(b)).

(B) GO Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Series 2001-B GO Claims and Standby GO Warrant Claims shall be made by the County in aggregate, lump-sum payments to the GO Warrant Trustee, and will in turn be distributed by the GO Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts.

(C) Other Indenture Trustees and Paying Agents.

With respect to all preexisting warrants that will remain outstanding under the Plan (i.e., the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants), the County will make post-Effective Date payments on account of such warrants to the applicable Indenture Trustee or GO Paying Agent, which Indenture Trustee or Paying Agent shall thereafter distribute such payments to holders of such warrants in accordance with the applicable operative agreements.

(v) Surrender of Instruments.

On the Effective Date, each holder of a certificated instrument, warrant, or note that (A) gives rise to any Sewer Debt Claims or (B) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. On the Effective Date, each holder of a global certificated instrument, warrant, or note that is held pursuant to the book-entry system operated by DTC and that (X) gives rise to any Sewer Debt Claims or (Y) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee in accordance with the Rules and Operational Arrangements of DTC, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. Upon issuance and delivery of the New Sewer Warrants and completion of Distributions required under the Plan, the Sewer Warrant Trustee shall cancel all outstanding Sewer Warrants on the records of DTC and destroy all associated original physical certificates, provided that such cancellation and destruction shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights. Upon issuance and delivery of the Replacement 2001-B GO Warrants, the GO Warrant Trustee shall cancel all outstanding Series 2001-B GO Warrants on the records of DTC and destroy all associated original physical certificates.

(f) **Full, Final, and Complete Settlement and Satisfaction.**

The Distributions and other treatment provided under the Plan for each holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such holder's Claims against the County, against the County's property, or any Claims released under the Plan.

(g) **Limitations on Distributions Payable to Persons Liable to County.**

No Distribution will be made on account of any Claim of any Person against which the County has any affirmative Causes of Action (excluding all GO Released Claims and all Sewer Released Claims), and such Person's Claim shall be deemed to be a Disallowed Claim pursuant to the Plan, unless and until such time as all Causes of Action (excluding all GO Released Claims and all Sewer Released Claims) against that Person have been settled or resolved by a Final Order and such Person has paid the entire amount for which such Person is liable to the County.

(h) **Deemed Acceleration of the Sewer Warrants.**

For all purposes, including Distributions under the Plan, all series and subseries of the Sewer Warrants shall be deemed accelerated as of the Effective Date, which shall occur immediately before the Distribution of consideration on the Effective Date; *provided, however*, that such acceleration will not be deemed to release any of the Sewer Wrap Policies with respect to Sewer Wrap Payment Rights except as a result of any Sewer Warrant Insurer's payment of the Outstanding Amount on the applicable series or subseries of non-commuted Sewer Warrants as set forth in the last sentence of this paragraph. With respect to any series or subseries of Sewer Warrants as to which the Commutation Election is not made or deemed not to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to pay the Outstanding Amount on such series or subseries of Sewer Warrants, the Sewer Warrant Trustee shall be deemed as of the Effective Date or, if later, as of the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries of Sewer Warrants, to have submitted a draw request under each applicable Sewer Wrap Policy in respect of the Outstanding Amount on such non-commuted series or subseries of Sewer Warrants, and each such Sewer Warrant Insurer shall be entitled (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to treat the Outstanding Amount as "Due for Payment" (as such term is defined in the applicable Sewer Wrap Policy and for purposes of such Sewer Wrap Policy) as of the Effective Date or as of such later date on which the applicable Sewer Warrant Insurer elects to pay such Outstanding Amount. Payment, as provided in the applicable Sewer Wrap Policy, of the Outstanding Amount on any series or subseries of non-commuted Sewer Warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable Sewer Wrap Policy and to fully release all Sewer Wrap Payment Rights with respect to such Sewer Warrants.

Section 4.16. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the County, the County may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Causes of Action of any nature whatsoever that the County may have against the claimant and that is not a GO Released Claim or a Sewer Released Claim. If the County elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the County's setoff or recoupment; *provided, however*, that the claimant will be provided with written notice of the proposed setoff or recoupment at least ten (10) Business Days prior thereto, and, if the claimant files a written objection to such proposed setoff or recoupment, the County shall not proceed with the setoff or recoupment absent the withdrawal of the claimant's objection or the entry of an order overruling the objection, but the County may in all events withhold any Distributions on account of such Claim pending resolution of the claimant's objection; *provided further, however*, that neither the failure to setoff against or recoup from any Claim nor the allowance of any Claim shall constitute a waiver or release by the County of any Causes of Action the County may have against the subject claimant.

Section 4.17. Motion Under Bankruptcy Code Section 364.

The Plan constitutes a motion by the County seeking the Bankruptcy Court's approval of the incurrence of all indebtedness and extensions of credit necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of New Sewer Warrants under the Plan, the incurrence of any underwriting or other transaction fees to be paid at closing, and payment of the Put Consideration. Confirmation of the Plan shall constitute a conclusive determination that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness or extensions of credit to the maximum extent permitted by law. Confirmation of the Plan shall also constitute a conclusive determination that all such indebtedness or extensions of credit were extended and incurred in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules.

Section 4.18. The Effective Date.

The Plan shall not become binding unless and until the Effective Date occurs. The Effective Date will be a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which all of the following conditions have been satisfied as set forth below, or waived as set forth in Section 4.18(b). Unless waived pursuant to Section 4.18(b), the Effective Date of the Plan shall not occur until each of the following conditions precedent has occurred or will occur simultaneously with the Effective Date of the Plan.

(a) Conditions to the Effective Date.

(i) The Confirmation Order shall (A) be entered and in full force and effect in form and substance acceptable to (1) the County, (2) the Sewer Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed

Confirmation Order) would affect the rights of the applicable Sewer Plan Support Party, and (3) the GO Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable GO Plan Support Party; and (B) not be subject to any stay;

(ii) The County shall have entered into the Closing Agreement; *provided, however*, that if any settlement payment is required to be made to the Internal Revenue Service, such payment shall be payable exclusively from Accumulated Sewer Revenues or gross Sewer System revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate consideration to be paid to holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, or any other payments described herein to be paid to the Sewer Plan Support Parties;

(iii) The aggregate Tail Risk and the aggregate Covered Tail Risk shall each not exceed \$25.0 million;

(iv) No Sewer Warrant Insurer will be subject to any Tail Risk on or after the Effective Date in an amount in excess of its Covered Tail Risk;

(v) The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate Refinancing Proceeds and other Cash consideration required to make the payments to (A) holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims shall be available and shall have been paid under the Plan to the Sewer Warrant Trustee for Distribution in accordance with the Plan on the Effective Date; and (B) holders of Allowed Class 1-C Claims (including the Sewer Warrant Insurers Outlay Amount) shall be available and shall have been paid under the Plan to the applicable Sewer Warrant Insurer in accordance with the Plan and the Sewer Warrant Insurers Agreements on the Effective Date;

(vi) The Sewer Plan Support Agreements, the Sewer Warrant Insurers Agreements, and the Tail Risk Payment Agreements shall be in full force and effect and any and all payments required under (A) the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer (or are paid simultaneously with the other payments to the Sewer Warrant Insurers required under the Plan); and (B) the Tail Risk Payment Agreements and the Plan shall have been paid or placed into escrow, as the case may be, in accordance with such Tail Risk Payment Agreements;

(vii) All of the settlements, releases, and injunctions contemplated by the Plan (including the settlement and release under the Plan of the Causes of Action asserted in the Bennett Action and the Wilson Action) shall have been approved pursuant to the Confirmation Order, and any pending litigation (including any appeals) commenced by the County or any of the Sewer Plan Support Parties against any of the Sewer Plan Support Parties shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice;

(viii) The Effective Date shall have occurred on or before December 31, 2013;

(ix) The Plan (as confirmed by the Confirmation Order), the Plan Supplement, and all other documents, instruments, agreements, writings, and undertakings required under the Plan

(A) shall be in form and substance satisfactory to the County (and, to the extent required by any applicable Plan Support Agreement or the Plan, approved by the applicable Plan Support Party or Parties); (B) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and (C) and, to the extent required by any applicable Plan Support Agreement or the Plan, shall be (or simultaneously with the occurrence of the Effective Date will be) effective;

(x) The Supporting Sewer Warrantholder Directed Distribution and the Put Consideration shall have been approved pursuant to the Confirmation Order and paid to the Supporting Sewer Warrantholders; and

(xi) The County, the Sewer Liquidity Banks, the Sewer Warrant Insurers, the Supporting Sewer Warrantholders, and the JPMorgan Parties shall have each acknowledged in writing (which writing may take the form of an email exchange among their respective counsel) that all conditions to the Effective Date have been satisfied or waived (or will be satisfied or waived simultaneously with the occurrence of the Effective Date).

(b) Waiver of Conditions.

The requirement that the conditions to the occurrence of the Effective Date be satisfied may be waived in whole or in part by mutual written agreement by (i) the County and each Sewer Plan Support Party (or, in the case of the Supporting Sewer Warrantholders, the “Majority Eligible Warrantholders” as defined in the Supporting Sewer Warrantholder Plan Support Agreement if such waiver may be effected by the Majority Eligible Warrantholders under the Supporting Sewer Warrantholder Plan Support Agreement) that is affected by the subject condition; or (ii) the County and each GO Plan Support Party that is affected by the subject condition, solely with respect to conditions (i), (vii), and (ix). Any such waiver may be effected at any time, without advance notice, leave, or order of the Bankruptcy Court and without any formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

(c) Effect of Failure of Conditions.

In the event that the conditions to the occurrence of the Effective Date have not been timely satisfied or waived pursuant to Section 4.18(b), and upon notification Filed by the County with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the County and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee will be restored to their rights as if the Plan, the Plan Support Agreements, any Plan Term Sheets referenced therein, and the Sewer Warrant Insurers Agreements were never entered into, and all claims and defenses of the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee shall be fully reserved; (v) any and all Ballots with respect to the Plan delivered by each of the Plan Support Parties shall be immediately withdrawn, and such Ballots shall be null and void for all purposes and shall not be considered or otherwise used in any manner; and (vi) all of the County’s obligations with respect to Claims shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the County or any other Person or to prejudice in any manner the rights,

claims, or defenses of the County or any other Person in any further proceedings involving the County. Nothing in the foregoing sentence shall alter or limit any Person's rights under any Plan Support Agreement.

(d) Notice of the Effective Date.

Promptly after the occurrence of the Effective Date, the County or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Damage Claims; (iv) the deadline established under the Plan for the filing of Administrative Claims; and (v) such other matters as the County finds appropriate.

**ARTICLE V
OTHER PLAN PROVISIONS**

Section 5.1. Exculpation of GO Released Parties, Sewer Released Parties, and the School Warrant Trustee Regarding the Bankruptcy and Plan Process.

To the maximum extent permitted by law, neither the GO Released Parties, nor the Sewer Released Parties, nor the School Warrant Trustee, nor any of their respective Related Parties shall have or incur any liability to any Person, including any holders of GO Warrants, Sewer Warrants, or School Warrants, for any act or omission occurring on or before the Effective Date in connection with, related to, or arising out of the Case, the Plan Support Agreements, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan or any compromises or settlements contained herein, the Disclosure Statement, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however*, that the foregoing provisions shall not affect the liability of any Person that otherwise would result from any such act or omission occurring on or prior to the Effective Date to the extent that such act or omission is determined in a Final Order to have constituted willful misconduct or fraud. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court will conclusively be deemed not to constitute willful misconduct or fraud unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the GO Released Parties, the Sewer Released Parties, the School Warrant Trustee, and their respective Related Parties shall be entitled to rely on the advice of their respective counsel with respect to their duties and responsibilities in connection with the Case and the Plan.

Section 5.2. Revocation of the Plan; No Admissions.

Subject to each of the Sewer Plan Support Agreements, the County reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. Notwithstanding anything to the contrary in the Plan, if the Plan is not confirmed or if the Effective Date does not occur, the Plan (and the Confirmation Order, if entered) will be null and void and inadmissible as evidence in any proceeding, and nothing contained in the Plan, the Disclosure Statement, or the

Confirmation Order (if entered) will (a) be an admission by the County, any of the Plan Support Parties, the Sewer Warrant Trustee, or the School Warrant Trustee with respect to any matter set forth therein, including liability on any Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgment, or release of any Claims against the County or its property, or of any Causes of Action; or (c) prejudice in any manner the rights of any Person in any further proceedings. Nothing in this Section 5.2 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement. In addition, nothing in the Plan, the comprehensive compromise and settlement described in Section 4.8(a), or any other compromises and settlements implemented under the Plan shall be deemed to be an admission or evidence of wrongdoing or, except with respect to obligations created under or pursuant to the Plan, liability on the part of any GO Released Party, any Sewer Released Party, or any of their respective Related Parties.

Section 5.3. Modification of the Plan.

Subject to the restrictions set forth in Bankruptcy Code section 942 and in each of the Sewer Plan Support Agreements, the County reserves the right to alter, amend, or modify the Plan at any time before the Confirmation Date.

Section 5.4. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. All rights of each Plan Support Party under the applicable Plan Support Agreement are fully reserved if any such holding, alteration, or interpretation means that the Plan is no longer an "Acceptable Plan" for purposes of the applicable Plan Support Agreement. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section 5.4, is valid and enforceable under its terms.

Section 5.5. Inconsistencies.

To the extent of any inconsistencies between the Plan, on the one hand, and the Disclosure Statement, any Plan Support Agreement, or any Ballot, on the other hand, the terms and provisions contained in the Plan shall govern.

Section 5.6. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided for in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, instruments, and documents executed in connection with the Plan shall be governed by, and construed and

enforced in accordance with, the laws of the State of Alabama without giving effect to the principles of conflict of laws thereof.

Section 5.7. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

Section 5.8. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the County, all the Plan Support Parties, the Sewer Warrant Trustee, the School Warrant Trustee, the FGIC Rehabilitator, and all their respective Related Parties have acted in good faith in connection therewith.

Section 5.9. Effectuating Documents and Further Transactions.

Each of the officials and employees of the County is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

Section 5.10. Validation of the New Sewer Warrants.

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 as follows:

The New Sewer Warrants were authorized and will be issued as of the Effective Date as a means of implementing the Plan and providing for the satisfaction of Sewer Debt Claims in accordance with the Bankruptcy Code.

The County has the authority under the constitution and laws of the State of Alabama and the Plan to adopt the Rate Resolution, to execute, deliver and perform its obligations under the New Sewer Warrant Indenture, and to issue, execute and deliver the New Sewer Warrants pursuant to the Plan.

All actions and things required under the provisions of applicable law to be had and done in this proceeding preliminary to the entry of this Confirmation Order have been had and done in the manner provided by law. This Confirmation Order will be forever conclusive against, among others, the County and all taxpayers and citizens of the County.

The indebtedness evidenced and ordered paid by the New Sewer Warrants shall be a limited obligation of the County, payable solely from the System Revenues derived from the operation of the Sewer System. The general faith and credit of the County shall not be pledged to the payment of the principal of or the interest or premium (if any) on the New Sewer Warrants, and the New Sewer Warrants shall not be general obligations of the County.

The New Sewer Warrants shall not constitute a debt or indebtedness of the County under the provisions of Section 224 of the Constitution of the State of Alabama, as amended, because the principal of and interest on the New Sewer Warrants will be payable solely from the System Revenues derived from the operation of the Sewer System, and will not be a charge on the general credit of the County.

The Bankruptcy Court does hereby validate and confirm all proceedings had and taken in connection with the following (i) the Plan; (ii) all covenants, agreements, provisions and obligations of the County set forth in the Plan; (iii) the Rate Resolution; (iv) all covenants, agreements, provisions and obligations of the County set forth in the New Sewer Warrant Indenture; and (v) the New Sewer Warrants and the provisions made to pay and secure payment of such obligations. When the New Sewer Warrants have been executed and delivered in accordance with the Plan, then the New Sewer Warrants and the pledges, covenants, agreements and obligations set forth therein and in the New Sewer Warrant Indenture shall stand validated and confirmed.

At the time of the delivery of the New Sewer Warrants, the County is hereby directed to cause to be stamped or written on each of the New Sewer Warrants a legend substantially as follows:

“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.”

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 Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, 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) 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.

Section 5.11. Validation of the Approved Rate Structure.

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. Validation of Allowance of Sewer Debt Claims.

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.

Section 5.13. Notices.

Any notices to or requests of the County by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when actually received by the following parties:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Re: Jefferson County

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
Attn: Kenneth N. Klee, Esq.
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Re: Jefferson County

Section 5.14. Sewer Warrant Trustee Residual Fee Estimate.

The County will have the right to challenge the amount of the Sewer Warrant Trustee Residual Fee Estimate by filing an action in the Bankruptcy Court within five (5) calendar days after receipt of the Sewer Warrant Trustee Residual Fee Estimate, provided that prior to filing such an action, the County will make good faith efforts to resolve any dispute with the Sewer Warrant Trustee. Any challenge by the County to the amount of the Sewer Warrant Trustee Residual Fee Estimate will be resolved by the Bankruptcy Court on an expedited basis before the Effective Date.

ARTICLE VI
EFFECTS OF CONFIRMATION OF THE PLAN

Section 6.1. Binding Effect.

Upon the Effective Date and pursuant to Bankruptcy Code section 944(a), the Plan, the Distributions and transactions contemplated by the Plan, and the compromises and settlements contained in the Plan 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 Sewer System, all parties in interest, and all other Persons. Confirmation of the Plan binds each holder of a Claim to all the terms and conditions of the Plan, whether or not such holder's Claim is Allowed, whether or not such holder is in a Class that is Impaired under the Plan, and whether or not such holder has accepted the Plan. The County reserves all rights to seek appropriate relief against any Person under Bankruptcy Code section 1142(b) to the extent necessary for the consummation of the Plan.

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) **GO Releases and Injunctions.**

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

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

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

(c) **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 and all GO 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, the GO 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.

Section 6.4. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

(a) Except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;

(b) Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the County is a party or with respect to which the County may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

(c) Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the County that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;

(d) Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;

(e) Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan;

(f) Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's rights, obligations, or interests under the Plan or the Confirmation Order;

(g) Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(h) Adjudicate any Preserved Claims;

(i) Implement and enforce the Commutation Election, and implement and enforce all settlements, releases, exculpations, and injunctions associated with the Plan;

(j) Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan or the Confirmation Order;

(k) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

(l) 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, including implementation or enforcement of the Approved Rate Structure and issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication;

(m) Hear and determine any actions brought against the County, the GO Released Parties, the Sewer Released Parties, or any of their respective Related Parties in connection with all compromises and settlements, exculpations and releases, the Plan, or the Case;

(n) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

(o) Enter an order closing the Case pursuant to Bankruptcy Code section 945(b).

If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this Section 6.4 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE VII
RECOMMENDATION AND CONCLUSION

The County believes that confirmation and implementation of the Plan are the best alternative under the circumstances and urges all its Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

DATED AS OF: June 30, 2013

JEFFERSON COUNTY, ALABAMA

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

Filed by:

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

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, jbender@babbc.com,
jhenderson@babbc.com

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP

Kenneth N. Klee (*pro hac vice*)

Lee R. Bogdanoff (*pro hac vice*)

David M. Stern (*pro hac vice*)

Robert J. Pfister (*pro hac vice*)

Whitman L. Holt (*pro hac vice*)

1999 Avenue of the Stars, Thirty-Ninth Floor

Los Angeles, California 90067

Telephone: (310) 407-4000

Facsimile: (310) 407-9090

Email: kklee@ktbslaw.com, lbogdanoff@ktbslaw.com,
dstern@ktbslaw.com, rpfister@ktbslaw.com,
wholt@ktbslaw.com

Counsel for Jefferson County, Alabama

Exhibit A

Preserved Claims

1. All Causes of Action and Avoidance Actions against British Petroleum arising out of the fire, explosions, and oil leak that occurred on the Deepwater Horizon, whether or not asserted in connection with the consolidated cases collectively styled *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, MDL No. 2179, pending in the United States District Court for the Eastern District of Louisiana.
2. All Causes of Action and Avoidance Actions against Bank of America, Bank of Tokyo - Mitsubishi UFJ, Barclays Bank plc, Citibank NA, Credit Suisse, Deutsche Bank AG, HSBC, Lloyds TSB Bank plc, Rabobank, Royal Bank of Canada, The Norinchukin Bank, The Royal Bank of Scotland Group, UBS AG, BNP Paribas, Credit Agricole Corporate Investment Bank, Sumitomo Mitsui Banking Corporation, and Société Générale regarding manipulation of the London Interbank Offered Rate and effect on the County's variable-rate obligations, including obligations under interest rate swap agreements.
3. All Causes of Action and Avoidance Actions against Chris McNair; Gary White; Mary Buckelew; Jack Swann; Harry Chandler; Ronald Wilson; Clarence Barber; Larry Creel; Sohan Singh; Ed Key; U.S. Infrastructure; Civil Engineering Design Services; Pat Dougherty; Dougherty Engineering; Bobby Rast; Danny Rast; Rast Construction; William Dawson; Dawson Engineering; Grady Pugh, Jr; Roland Pugh; Roland Pugh Construction; and Eddie Yessick arising out of these parties' conduct in connection with bribery, corruption, or the construction of the Sewer System. The County's Causes of Action include claims for unpaid fines or restitution.
4. All Causes of Action and Avoidance Actions against Wachovia Bank, N.A. ("Wachovia") and Wells Fargo Bank, N.A. ("Wells Fargo") arising from Wachovia's violation of state and federal antitrust laws in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between Wachovia, Wells Fargo, and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
5. All Causes of Action and Avoidance Actions against UBS AG arising from UBS AG's violations of state and federal antitrust and other laws by UBS and others in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between UBS AG and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
6. All Causes of Action and Avoidance Actions against Jefferson Clinic, P.C. related to services provided to Cooper Green Mercy Hospital and payments made to Jefferson Clinic P.C. with respect to such services.
7. All Causes of Action and Avoidance Actions against any contractors, vendors, and former employees related to services provided to Cooper Green Mercy Hospital, including claims for refunds of payments made pursuant to void contracts.

8. All Causes of Action and Avoidance Actions against Health Assurance, LLC for refunds of premiums paid on or behalf of the County.
9. All Causes of Action and Avoidance Actions against Greater McAdory Athletic Association related to advances from the County earmarked for specific use.
10. All Causes of Action and Avoidance Actions against Hendon Engineering in connection with design and construction defects at the Five Mile Waste Water Treatment Plant.
11. All Causes of Action and Avoidance Actions for payment of any taxes, including sales taxes, use taxes, ad valorem taxes, occupational taxes, privilege taxes, or any other kind of tax; whether or not such claim for taxes are currently in litigation.
12. All Causes of Action and Avoidance Actions related to services provided by the County to third parties, including municipalities and related municipal boards, authorities and other entities, sewer customers, and hospital and clinic patients.
13. All Causes of Action and Avoidance Actions related to deposits, bonds, or other forms of security posted in connection with construction projects or other contracts in which the counterparty failed to timely or satisfactorily perform.
14. All Causes of Action and Avoidance Actions related to subrogation rights against third parties arising from property and worker's compensation claims.
15. All Causes of Action and Avoidance Actions against any holder of Sewer Warrants that is not a Sewer Released Party or a Related Party of such Sewer Released Party.
16. All Causes of Action, Avoidance Actions, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Creditor or any Person that are not otherwise released under or pursuant to the Plan.

Exhibit B

Schedule of Assumed Agreements

[Initial Schedule of Assumed Agreements will be included in the Plan Supplement]

Exhibit C

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, the County shall increase the overall User Charges by certain required percentages (the “Required Percentage Increases,” as more specifically defined below).

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, then 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.

Required Percentage Increases

A resolution duly adopted by the County Commission during October 2013 (the “October 2013 Resolution”) in compliance with Amendment 73 and Act 619 shall 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

If the County Commission elects to implement the First Required Percentage Increase using the Non-Uniform Method, the October 2013 Resolution shall: (i) so state; (ii) set out which User Charges will be increased, which (if any) will be decreased, and which will be left unchanged; and (iii) be accompanied by a certification that the revenues projected to be generated in the fiscal year for which the First 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 First Required Percentage Rate Increase.

Subject to the entirety of this Approved Rate Structure, the User Charges in effect as of March 1, 2013, shall be increased by the “First Required Percentage Increase.” The First Required Percentage Increase shall be given effect no later than November 1, 2013, 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, 2014.

The First Required Percentage Increase shall equal 7.41%, unless adjusted upward or downward in the October 2013 Resolution in a manner permitted under the Sewer Plan Support Agreements (*i.e.*, to a level necessary and sufficient to allow the County to issue the New Sewer Warrants in the amounts required by the Sewer Plan Support Agreements and the Plan).

After the First Required Percentage Increase takes effect, no further Required Percentage Increases shall be required to take effect unless and until the Effective Date has occurred. If the Effective Date has not occurred by January 1, 2014, then no further Required Percentage Increases will be implemented absent further action by the County Commission.

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, 2014 shall be increased by the “Second Required Percentage Increase.” The Second Required Percentage Increase shall be provided for in the October 2013 Resolution, subject to the occurrence of the Effective Date, and given effect no later than October 1, 2014. The User Charges thereby established will remain in effect through and including September 30, 2015.

The Second Required Percentage Increase shall equal 7.41%, 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, 2015, shall be increased by the "Third Required Percentage Increase." The Third Required Percentage Increase shall be provided for 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 Third Required Percentage Increase shall equal 7.41%, 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, 2016, shall be increased by the "Fourth Required Percentage Increase." The Fourth Required Percentage Increase shall be provided for 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 Fourth Required Percentage Increase shall equal 7.41%, 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, 2017 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 the "Residual Annual Required Percentage Increase." The Residual Annual Required Percentage Increase shall be provided for 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, 2017. 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 and 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 Second 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 thirty (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.

[Insert Charge Ordinance as Appendix]

Exhibit D

GO Acknowledgement

(i) The indebtedness evidenced and ordered to be paid on account of the GO Warrants and the GO Insurance Policies constitutes, and with respect to the Replacement 2001-B GO Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the GO Warrants, and the Replacement 2001-B GO Warrants once issued, as they become due and to reimburse National on account of the GO Insurance Policies.

(ii) Revenues legally available to the County for payment of debt service on the GO Warrants and to reimburse National on account of the GO Insurance Policies include, and with respect to the Replacement 2001-B GO Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The GO Warrants and the obligations to reimburse National on account of the GO Insurance Policies constitute, and the Replacement 2001-B GO Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the GO Warrants, and the Replacement 2001-B GO Warrants once issued, and to reimburse National on account of the GO Insurance Policies in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the GO Warrants, the GO Warrant Indenture, the GO Insurance Policies, and the Standby GO Warrant Purchase Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the “**Plan Term Sheet**”), which are expressly incorporated herein by reference, this “**Agreement**”), dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the “**County**”), on the one hand, and Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“**Assured**”), Financial Guaranty Insurance Company (“**FGIC**”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“**Syncora**” and collectively with Assured and FGIC, the “**Sewer Warrant Insurers**”), on the other hand. Each of the Sewer Warrant Insurers and the County are referred to herein as a “**Party**” and collectively as the “**Parties**.” Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the “**Indenture**”), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the “**Trustee**”), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County’s sewer system (the “**Sewer Warrants**”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997; (ii) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001; (iii) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002; (iv) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (v) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003; (vi) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (vii) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (viii) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003; and (ix) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003 (collectively, the “**Sewer Wrap Policies**”);

WHEREAS, in connection with the issuance of certain series of Sewer Warrants and in order to satisfy certain requirements under the Indenture, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (ii) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (iii) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (iv) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005 (collectively, the “Sewer DSRF Policies”);

WHEREAS, in connection with the issuance of the Sewer DSRF Policies, the County entered into the following agreements: (i) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and between the County and FGIC; (ii) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (iii) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (iv) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured (collectively, the “Sewer DSRF Reimbursement Agreements”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a “Standby Agreement”);

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the “Bankruptcy 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”);

WHEREAS, each of the Sewer Warrant Insurers has filed claims in the Bankruptcy Case against the County asserting rights to be paid various amounts arising from or in connection with the Sewer Wrap Policies, the Sewer DSRF Policies, and the Sewer DSRF Reimbursement Agreements, including on account of certain Sewer Warrants that are individually held by certain of the Sewer Warrant Insurers (collectively and with any and all other claims of the Sewer Warrant Insurers, whatever the origin or nature, the “Sewer Warrant Insurer Claims”);

WHEREAS, the County disputes the Sewer Warrant Insurers’ entitlements with respect to certain of the Sewer Warrant Insurer Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the Sewer Warrant Insurers dispute the County’s contentions;

WHEREAS, on June 28, 2012, the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) appointed Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator (the “Rehabilitator”) of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”);

WHEREAS, notwithstanding any representation or warranty by, or provision of this Agreement applicable to, FGIC, FGIC's obligations hereunder (and any applicable representations, warranties, or provisions herein) are expressly subject to the Rehabilitator obtaining an order in the FGIC Rehabilitation Proceeding approving FGIC's execution and performance of this Agreement no later than June 28, 2013 (or such later date as the County, FGIC, and the Rehabilitator may agree in writing for obtaining such approval);

WHEREAS, on or about February 6, 2013, the Trustee commenced an adversary proceeding against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the "Declaratory Judgment Action");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "JPMorgan PSA") with JPMorgan Chase Bank, N.A. ("JPMorgan") and a plan support agreement (the "Supporting Warrantholder PSA") with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders" and collectively with JPMorgan and the Sewer Warrant Insurers, the "Plan Support Parties");

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, the Sewer Warrant Insurers are contemporaneously entering into certain agreements among themselves (to which the County is not a party) in order to address, among other things, how the consideration payable to the Sewer Warrant Insurers pursuant to an Acceptable Plan (as defined below) shall be distributed and allocated among the Sewer Warrant Insurers and pursuant to the commutation of reinsurance agreements between and among the Sewer Warrant Insurers related to the Sewer Warrants (collectively, the "Sewer Warrant Insurers Agreements");

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 7.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing the Sewer Warrant Insurers (the “Insurer Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Insurer Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a Disclosure Statement (as defined below), and a Confirmation Order (as defined below), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement (as defined below) or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Sewer Warrant Insurers shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all Sewer Warrant Insurer Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; *provided*, that for the purposes of the Sewer Warrant Insurers voting to accept an Acceptable Plan (including as provided in this Section 1(e)), the term “Sewer Warrant Insurer Claims” shall not include any claims on account of Sewer Warrants that are insured, but not owned, by a Sewer Warrant Insurer, but shall include claims that arise under the Sewer DSRF Reimbursement

Agreements or on account of any principal or interest scheduled to become payable on or after February 1, 2013, that is paid by such Sewer Warrant Insurer and the FGIC Assured-Insured Warrants; and (iii) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan. For the avoidance of doubt, such releases shall not release any rights of the Sewer Warrant Insurers (x) *vis-à-vis* each other to the extent not released in or reserved in any Sewer Warrant Insurers Agreement, (y) under an Acceptable Plan or the Tail Risk Payment Agreements, and (z) of FGIC against Assured under any Sewer Wrap Policies issued by Assured insuring the FGIC Assured-Insured Warrants.

(f) No Party will contest any other Party's ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Sewer Warrant Insurers or any other creditors with respect to an Acceptable Plan until such parties have received a disclosure statement for an Acceptable Plan (the "Disclosure Statement"), any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) The Sewer Warrant Insurers will have the right to approve all provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the applicable Sewer Warrant Insurer prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the order confirming an Acceptable Plan (the "Confirmation Order"); (ii) the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the work to be done by KCC (or any other entity retained by the County acceptable to the Sewer Warrant Insurers) as a solicitation agent acceptable to the Sewer Warrant Insurers, which will take all reasonable efforts as approved by the Bankruptcy Court to provide holders of Class 1-A claims with actual notice regarding the Commutation Election and an Acceptable Plan (the "Solicitation Procedures"), including the ballots or such other documents that contain the Commutation Election (the "Solicitation Ballots") and any

affidavit of service to be filed by KCC (or any other agent) in connection therewith; (iii) the Disclosure Statement, including the description of the Solicitation Procedures set forth in the Disclosure Statement and any other document to be distributed to holders of Class 1-A claims and the form of the Solicitation Ballots; (iv) procedures by which holders of Class 1-A claims that do not vote or make the Commutation Election, or that elect to both make and not make the Commutation Election, are deemed to have made such an election (the “Commutation Election Procedures”); (v) procedures by which holders of Series 2003-C-9 or 2003-C-10 Sewer Warrants insured by Assured, who have been “deemed” to make the Commutation Election, will be notified of their right to rescind such “deemed” Commutation Election by providing written notice thereof to KCC (or any other agent), Assured, and the County within not less than 29 calendar days after the deadline for making the Commutation Election (the “Rescission Procedures”); (vi) the order or orders approving the Disclosure Statement, Solicitation Procedures, form of Solicitation Ballots, Commutation Election Procedures, and Rescission Procedures; (vii) the Confirmation Order; (viii) the Stipulated Order (as defined below); (ix) the Tail Risk Payment Agreements; (x) all other related Acceptable Plan and closing documentation; and (xi) any other document which is subject to approval by the Sewer Warrant Insurers pursuant to the Plan Term Sheet. The County shall provide the Insurer Professionals with a copy of the ballot tabulation and Commutation Election results (after giving effect to any rescissions exercised by any holders of the Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured) within one (1) business day of the completion of the report of such results by KCC (or any other agent) and the County.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC Rehabilitation Proceeding, except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder

as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any of the Sewer Wrap Policies or any of the Sewer DSRF Policies); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), the Sewer Warrant Insurers providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the Sewer Warrant Insurers to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the Sewer Warrant Insurers, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of such Sewer Warrant Insurer) expose any such Sewer Warrant Insurer to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The Sewer Warrant Insurers shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 7.

(d) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any of the Sewer Wrap Policies and Sewer DSRF Policies, pursuant to a stipulated form of order acceptable to the County and each of the Sewer Warrant Insurers (the “Stipulated Order”) to effect a standstill or suspension of the Declaratory Judgment Action, (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any Sewer Wrap Policies or Sewer DSRF Policies; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(d)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the

termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(x) of the Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

(e) So long as none of this Agreement, the Supporting Warrantholder PSA, or the JPMorgan PSA has been terminated, FGIC shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the FGIC Assured-Insured Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of FGIC to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

Section 3. Representations and Covenants Regarding Claims.

(a) FGIC represents that as of the date of this Agreement, FGIC owns (i) Series 2002-A Sewer Warrants in the principal amount of \$101,465,000, and (ii) Series 2003-B-8 Sewer Warrants in the principal amount of \$6,000,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Syncora represents that as of the date of this Agreement, Syncora owns Sewer Warrants in the principal amount of \$214,191,875.11 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Assured represents that as of the date of this Agreement, Assured owns Sewer Warrants in the principal amount of \$20,375,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Each Sewer Warrant Insurer represents that as of the date of this Agreement, and except (i) pursuant to any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) as may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to such insurer or such insurer's inability to pay claims in full; or (iii) pursuant to a stipulation, agreement, or court order described in Section 3(c) below, it has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Sewer Warrant Insurer Claims held by such Sewer Warrant Insurer that are inconsistent with, or in violation of, the representations and warranties of such Sewer Warrant Insurer herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Sewer Warrant Insurer's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Sewer Warrant Insurer covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of the Agreement, it will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of its Sewer Warrant Insurer Claims (including any Sewer Warrants), or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a "Transfer"). Any attempt to Transfer any Sewer Warrant Insurer Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance

with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*.

(c) Notwithstanding the foregoing, each of (i) any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) any transfer that may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to a Sewer Warrant Insurer or such insurer's inability to pay claims in full; and (iii) any stipulation, other agreement, or court order resolving or otherwise addressing any dispute between one or more holders of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of holders, as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by holders and insured by such Sewer Warrant Insurer shall not constitute a "Transfer" under this Agreement.

(d) This Agreement shall in no way be construed to preclude any Sewer Warrant Insurer from acquiring additional Sewer Warrants or any claims directly related thereto as a result of such Sewer Warrant Insurer making payment under any applicable Sewer Wrap Policy or Sewer DSRF Policies on account of regularly scheduled principal or interest due on Sewer Warrants insured by such Sewer Warrant Insurer; *provided, however*, that any additional Sewer Warrants or claims against the County directly related thereto so acquired by any Sewer Warrant Insurer shall automatically be deemed to be subject to the terms of this Agreement, including the voting requirements set forth in Section 1 hereof, and the Sewer Warrant Insurer's rights to receive payments on account of such Sewer Warrants as part of the Insurer Outlay Amount set forth in the Plan Term Sheet.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the JPMorgan PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as Exhibit B and Exhibit C, respectively, and that the Supporting Warrantholders as of the date of the Supporting Warrantholder PSA have represented in the Supporting Warrantholder PSA that they hold in the aggregate no less than \$872,559,361.11 principal amount of Sewer Warrants as of the date of the Supporting Warrantholder PSA.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an

Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to the Sewer Warrant Insurers of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA, the Supporting Warrantholder PSA, or the GO PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Sewer Warrant Insurers under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Sewer Warrant Insurers of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County shall provide the Insurer Professionals a copy of the update of the relevant portion of Schedule 1 of the Supporting Warrantholder PSA that is required under Section 3(f) of the Supporting Warrantholder PSA within one (1) business day of the County's receipt of such update from the Supporting Warrantholders.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 and approval by the FGIC Rehabilitation Court (in the case of FGIC), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) Subject to approval by the FGIC Rehabilitation Court (in the case of FGIC), the execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, and except for the FGIC Rehabilitation Court (in the case of FGIC) and the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Sewer Warrant Insurers;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

(b) In connection with the agreement of the Sewer Warrant Insurers to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring,

as long as this Agreement has not been terminated in accordance with Section 7, each of the Sewer Warrant Insurers shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, the Sewer Wrap Policies, the Sewer DSRF Policies, the Sewer DSRF Reimbursement Agreements, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

Section 7. Termination & Default.

7.1. Events of Termination & Default.

(a) The County and the Sewer Warrant Insurers may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within

twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Sewer Warrant Insurers or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County, as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC’s execution and performance of this Agreement on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the Rehabilitator for obtaining such approval, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the “Standstill Date”), then any of the Sewer Warrant Insurers or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been

obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) any of the Sewer Warrant Insurers or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a “Litigation Termination Notice”). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then any of the Sewer Warrant Insurers or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Sewer Warrant Insurer materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County or any non-breaching Sewer Warrant Insurer, then, subject to such Party’s rights under Section 7.2(a), the County or any non-breaching Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then any of the Sewer Warrant Insurers, but only if such breach adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of any of the Sewer Warrant Insurers, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the applicable Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from any Sewer Warrant Insurer, then any of the Sewer Warrant Insurers, but only if such action adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If any of the Sewer Warrant Insurers files any motion or pleading that, in the reasonable judgment of the County or any other Sewer Warrant Insurer, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County or any other Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County or any other Sewer Warrant Insurer, then the County or any other Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the Sewer Warrant Insurer Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the Sewer Warrant Insurers (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement, the Solicitation Procedures, the form of Solicitation Ballots, and the

Commutation Election Procedures by August 30, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

then, in each case, any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(q) If the Supporting Warrantholder PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If any of the Sewer Warrant Insurers materially breaches one of the Sewer Warrant Insurers Agreements and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then any non-breaching Sewer Warrant Insurer, but only if such breach is in respect of a right, obligation, or interest that extends to such non-breaching Sewer Warrant Insurer's benefit, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(s) If any of the Sewer Warrant Insurers Agreements shall have been terminated or is otherwise no longer in full force and effect, then any Sewer Warrant Insurer that is a party to and has not breached the applicable Sewer Warrant Insurers Agreement may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If any condition precedent (including for the avoidance of doubt each condition precedent set forth in paragraph E. of the Plan Term Sheet) to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then the County or any of the Sewer Warrant Insurers may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the

condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(u) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and the Sewer Warrant Insurers on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and the Sewer Warrant Insurers, then the County or any of the Sewer Warrant Insurers may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(v) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(w) If the County amends the Financing Plan in any material respect without the written approval of each Sewer Warrant Insurer and does not rescind such amendment or obtain the written approval of each Sewer Warrant Insurer regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from one or more of the Sewer Warrant Insurers (which written notice must be provided by the applicable Sewer Warrant Insurer within seven (7) calendar days after the County provides the notice required by Section 4(d)), then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(x) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (x) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2. Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(m), (r), and (t)-(u), and (w), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(m), (r), (u), and (w), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3. Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties (including in the case of FGIC, the Rehabilitator); *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4. Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(x)), any and all ballots with respect to an Acceptable Plan delivered by each Sewer Warrant Insurer prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. For the avoidance of doubt, termination of this Agreement in accordance with Section 7 of this Agreement as to one of the Sewer Warrant Insurers will result in a termination of this Agreement as to all of the Sewer Warrant Insurers. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(x), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement, the Plan Term Sheet, and the Sewer Warrant Insurers Agreements were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Sewer Warrant Insurer or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Supporting Warrantholder, any other Sewer Warrant Insurer, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties (including in the case of FGIC, the Rehabilitator), and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the Sewer Warrant Insurers (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court). Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for

the sole and express benefit of each of the other Parties to this Agreement. Notwithstanding the foregoing, any dispute regarding whether FGIC has been authorized by the FGIC Rehabilitation Court to execute and perform (a) this Agreement or (b) any of the Sewer Warrant Insurers Agreements shall be subject to the exclusive jurisdiction of the FGIC Rehabilitation Court.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Sewer Warrant Insurers Agreements, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and each Sewer Warrant Insurer.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court) represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than (i) a proceeding to enforce or interpret the terms of this Agreement or (ii) with respect to FGIC, in any proceeding seeking approval of this Agreement by the FGIC Rehabilitation Court. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Sewer Warrant Insurer hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. It is understood and agreed that no Sewer Warrant Insurer has any duty of trust or confidence in any form with any other Sewer Warrant Insurer.

8.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babco.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to Assured:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: Bruce Stern

With a copy to:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: General Counsel

and

Winston & Strawn, LLP
200 Park Avenue
New York, New York 10166
Attn: Lawrence A. Larose
Facsimile: (212) 294-4700
Email: LLarose@winston.com

If to FGIC:

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
Attn: Timothy Travers

With a copy to:

Dabney, PLLC
303 Grande Court
Richmond, VA 23229
Attn: H. Slayton Dabney, Jr., Esq.
Email: sdabney@dabneypllc.com

and

Heller, Draper, Patrick & Horn, L.L.C.
650 Poydras Street, Suite 2500
New Orleans, Louisiana 70130
Attn: William H. Patrick, III, Esq.
Facsimile: (504) 299-3399
Email: WPatrick@hellerdraper.com

If to Syncora:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: Frederick B. Hnat, Esq.

With a copy to:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: James W. Lundy, Jr., Esq.
General Counsel
Facsimile: (212) 478-3479
Email: james.lundy@scafg.com

and

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020
Attn: George B. South III, Esq.
Facsimile: (917) 778-8540
Email: george.south@dlapiper.com

and

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010
Attn: Susheel Kirpalani, Esq.
Eric M. Kay, Esq.
Facsimile: (212) 849-7100
Email: susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.13.

8.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(d)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.13, 8.15, 8.16, 8.17, and this Section 8.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however,* that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., E., or F. of the Plan Term Sheet, parts C., D., E., and F. of the Plan Term Sheet shall control.

8.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

8.17 Use of “Including” and “FGIC”.

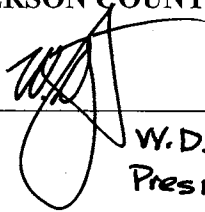
Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation,”. Whenever this Agreement uses the word “FGIC,” such reference shall be deemed to mean “FGIC or the Rehabilitator acting on behalf of FGIC”.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:



W.D. Carrington
President

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: _____

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.

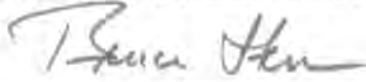
By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.



By: Bruce E. Stern
Its: Executive Officer

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: _____

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawsky,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA


By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: 

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: _____

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.



By: FREDERICK B. HNAT
Its: MANAGING DIRECTOR AND SENIOR COUNSEL

Exhibit A

Plan Term Sheet

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Any transaction is entirely contingent upon the negotiation and execution of definitive documentation, including a chapter 9 plan of adjustment, and satisfaction or waiver of all conditions contained in the definitive documentation, including confirmation of the plan and occurrence of its effective date. This document is **not** a solicitation or a vote for any proposed plan or a definitive term sheet, but rather memorializes a broad agreement in principle to provide a basis for further discussion regarding the specific details of a plan and related transactions, which details remain subject to further review, comment, and final approval by all Plan Support Parties and Jefferson County, Alabama (the “**County**”). Capitalized terms used in this document (that are not otherwise defined herein) are defined in **Exhibit A**.

A. Conceptual Overview

This document is structured around the following broad concepts:

Through a confirmed chapter 9 plan of adjustment containing the terms set forth herein, in the Plan Support Agreements (as defined below) and the Sewer Warrant Insurers Agreements (as defined below) and otherwise acceptable to the County and the Plan Support Parties (the “**Plan**”), the County will execute a refinancing transaction that produces net cash proceeds for distribution to the County’s sewer creditors and the Sewer Warrant Insurers on the effective date of the Plan (the “**Effective Date**”). This document sets forth the treatment that will be provided in the Plan for sewer creditors and Sewer Warrant Insurers, with respect to claims held by or affecting the Sewer Warrant Insurers. This document is predicated on the County reaching satisfactory Plan Support Agreements with all Plan Support Parties and the negotiation and execution of additional documentation, all of which that affect the rights of a Plan Support Party must be satisfactory to such affected Plan Support Party and the County.

As part of the global settlement among the County, the Sewer Warrant Insurers, JPMorgan, and the other Plan Support Parties to be implemented pursuant to the Plan, and in consideration of the settlement and release of all subordination and other claims, causes of action, and avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) against JPMorgan and the Sewer Warrant Insurers related to the County, the sewer warrants, any financing or other transaction with the County, the sewer system, or any insurance issued in respect of the sewer warrants (except with respect to any wrap insurance policies applicable to those holders who do not make, or are not deemed to make, the Commutation Election), including in pending litigation brought by the County and certain Sewer Warrant Insurers against JPMorgan, and in order to increase the recovery received by all other holders of sewer warrants and reduce the amount of sewer indebtedness following the County’s emergence from chapter 9, JPMorgan will consent to the reallocation to other holders of sewer warrants of a substantial portion of the Plan consideration that would otherwise be distributed on a pro rata basis to JPMorgan, and the Sewer Warrant Insurers will contribute consideration by settling and releasing their claims against the County and JPMorgan and

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

allowing their pro rata share of such reallocation by JPMorgan to be made available to other holders as part of the Commutation Election described below.

The Plan will include a Commutation Election mechanism whereby holders of sewer warrants may elect (or in certain circumstances described below will be deemed to elect) to commute claims that could be asserted against the Sewer Warrant Insurers under the applicable sewer warrant policies and, thereby, release or waive other sewer-related or sewer warrant-related claims against the County and the Plan Support Parties. All of the Plan Support Parties (other than FGIC with respect to the FGIC Assured-Insured Warrants or pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) will affirmatively make the Commutation Election, and any holder of sewer warrants that previously commuted the insurance obligations of a Sewer Warrant Insurer to such holder, shall remain bound by such prior commutation in accordance with the terms of the applicable agreements. The Commutation Election or deemed Commutation Election will be independent of the holder's vote for or against the Plan. In consideration for recoveries under the Plan on account of claims against the County, the commutation described herein, and for the resolution of numerous potential disputes regarding their claims against the County and others, the Sewer Warrant Insurers will accept (and be paid) on the Effective Date certain payments specified more fully below on account of all of their claims against the County, against the other Plan Support Parties and between and among the Sewer Warrant Insurers in connection with the County's sewer warrants. For the avoidance of doubt, such releases shall not release any rights of the Sewer Warrant Insurers (x) *vis-à-vis* each other to the extent not released in or reserved in any Sewer Warrant Insurers Agreement, (y) under an Acceptable Plan or the Tail Risk Payment Agreements, and (z) of FGIC against Assured under any Sewer Wrap Policies issued by Assured insuring the FGIC Assured-Insured Warrants.

There will also be broad mutual releases exchanged among the County and all the Plan Support Parties effective upon the Effective Date, including releases of any claims against each other (including on account of any claims under or in connection with any insurance policies issued by the Sewer Warrant Insurers, other than FGIC with respect to the FGIC Assured-Insured Warrants or pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) and of any claims being asserted by other parties on behalf of the County, excluding only the obligations imposed under the Plan and obligations unrelated to the County, the County's sewer warrants, and the policies insuring the County's sewer warrants. These releases will be presented as a resolution of disputed claims inextricably bound with the Plan pursuant to Federal Rule of Bankruptcy Procedure 9019, and to the extent provided therein, will bind all creditors and other parties in interest (including, without limitation, plaintiffs purporting to assert claims derivatively on the County's behalf, as in pending adversary proceedings). The Plan and form of order confirming the Plan (the "**Confirmation Order**") will contain injunctions enforcing the releases under the Plan and the Commutation Election.

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

The Sewer Warrant Insurers Agreements (as defined below) shall be in final form, and executed prior to or contemporaneously with the Plan Support Agreements.

B. Plan Support Agreements

1. Each of the Plan Support Parties and the County will enter into a Plan Support Agreement with respect to the Plan (each a “**Plan Support Agreement**” and collectively the “**Plan Support Agreements**”) on or before June 6, 2013.¹ Each Plan Support Agreement must be in a form acceptable to all the other Plan Support Parties. Subject to applicable bankruptcy law, including approval of a disclosure statement in respect of the Plan by the Bankruptcy Court, the Plan Support Agreements will obligate the County and the Plan Support Parties to use reasonable efforts to have the Effective Date occur on or before the Outside Date. Among other provisions, the Plan Support Agreements involving the Sewer Warrant Insurers will provide for (a) the right of each of the Sewer Warrant Insurers to approve the provisions of the following documents that would potentially affect the rights of the applicable Sewer Warrant Insurer (i) the Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into the Plan and the Confirmation Order, (ii) the order or orders approving the disclosure statement for the Plan and the notice and other procedures for soliciting votes on the Plan and affirmative or deemed elections with respect to the Commutation Election, including the ballots or such other documents that contain the Commutation Election, (iii) the form of the Confirmation Order, and (iv) all other relevant Plan and closing documentation, (b) a stay and standstill of litigation as discussed in paragraph B.2 below, (c) deadlines for approval of the disclosure statement for the Plan (August 30, 2013), confirmation of the Plan (November 25, 2013), and the Effective Date (December 31, 2013), (d) a forbearance as described further in paragraph B.5 below, (e) the obligation of all Plan Support Parties and the County to support the Plan’s confirmation and, subject to the approval of a disclosure statement by the Bankruptcy Court, of the Plan Support Parties to vote to accept the Plan, and (f) termination of the Plan Support Agreements upon the occurrence of certain events, including, for example, entry of an order denying confirmation of the Plan, failure of the Effective Date to occur by the Outside Date, failure of the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, to timely approve FGIC’s execution and performance of a Plan Support Agreement, and termination or any material amendment of any

¹ FGIC’s obligations under any Plan Support Agreement are expressly subject to its rehabilitator obtaining an order approving FGIC’s execution and performance of the Plan Support Agreement from the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, no later than June 28, 2013 (or such later date as the County, FGIC, and FGIC’s rehabilitator may agree in writing for obtaining such court approval). FGIC and its rehabilitator will use reasonable efforts to obtain the required order on or before June 28, 2013, or within any otherwise agreed period referenced in the immediately preceding sentence.

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Plan Support Agreement (the date, if any, on which any Plan Support Agreement is terminated in accordance with its terms being the “**Plan Support Termination Date**”).

2. Subject to approval of the appropriate courts, the Plan Support Parties and the County will use reasonable efforts to assure that all pending litigation (including appeals) related to the County’s sewer warrants and involving any of the County, the Plan Support Parties, and/or the Bank of New York Mellon as Trustee under the Indenture (the “**Indenture Trustee**”), other than the Lehman Brothers claim priority adversary proceeding, will be stayed until (i) compromised, settled and/or dismissed on terms acceptable to the applicable parties pursuant to the Plan, or (ii) the Plan Support Termination Date (the “**Standstill Period**”); *provided, however*, that no party shall be required to incur or become obligated in respect of any material liability or expense to achieve such a standstill. As a part of the standstill of pending litigation and pursuant to a stipulated form of order to effect a standstill in the declaratory judgment action commenced by the Indenture Trustee, Adversary Proceeding No. 13-00019 (the “**Declaratory Judgment Action**”), the Indenture Trustee and the Plan Support Parties will not present any claims or seek to draw on the wrap policies or the DSRF policies during the Standstill Period. The County and the Plan Support Parties will use reasonable efforts to obtain and implement a litigation stay or standstill of any other litigation involving the Indenture Trustee and/or the Plan Support Parties related to the County’s sewer warrants through the Standstill Period. In addition, except as may otherwise be specified in the Plan Support Agreements, each of the County and the Plan Support Parties will agree to a standstill regarding any future litigation vis-à-vis any of each other related to the County’s sewer debt through the Standstill Period. As noted above, successfully obtaining and implementing such a litigation stay and standstill through the Standstill Period is a condition to the continued effectiveness of the Plan Support Agreements, *provided* that such condition may be waived by an agreement in writing of the County and the Plan Support Parties, in their sole discretion (but only the Plan Support Parties party to such litigation or whose rights would adversely be affected thereby in any material respect).

3. Except to the extent set forth in the Ad Hoc Warrantholders’ Plan Support Agreement or in the JPMorgan Plan Support Agreement, the Plan Support Agreements will contain provisions restricting the Plan Support Parties from assigning, selling, or otherwise transferring their claims against the County until the Plan Support Termination Date, *provided, however*, that (i) any sewer warrant holder that executes a Plan Support Agreement may sell or assign claims so long as any assignees or purchasers are bound to the provisions of, and become parties to, the applicable Plan Support Agreement, (ii) to the extent a Plan Support Party acquires any additional claims, such additional claims shall automatically be subject to the provisions of the applicable Plan Support Agreement, and (iii) prior to the effectiveness of the Commutation Election, the Plan Support Agreements will not prevent any sewer warrant holder from assigning or otherwise transferring (or any Sewer Warrant Insurer from acquiring) all or a portion of its sewer warrants or related claims to a Sewer Warrant Insurer in accordance with

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

the applicable wrap policy or DSRF policy issued by such Sewer Warrant Insurer in exchange for payment by a Sewer Warrant Insurer under such wrap policy or DSRF policy, in which case such transferred warrants and claims and the Sewer Warrant Insurer holding them shall be subject to the terms of the applicable Plan Support Agreement.

4. The stipulated order to be entered in the Declaratory Judgment Action will provide that sewer revenues will continue to be timely remitted by the County to the Indenture Trustee in accordance with the present practices, but that during the Standstill Period no sewer revenues will be distributed to holders of sewer warrants on account of obligations becoming due on or after February 1, 2013, except (a) under the Plan (see paragraphs D.2 and G.1 below) or (b) until the Plan Support Termination Date. Following any Plan Support Termination Date, all parties' rights shall be reserved and will be determined as if the Plan Support Agreements were never executed.

5. In furtherance of the Standstill Period with respect to the payment of principal and interest on the sewer warrants otherwise payable on or after February 1, 2013, the Plan Support Agreements executed by Plan Support Parties other than the Sewer Warrant Insurers (the "**Non-Insurer PSAs**"), and by FGIC with respect to the FGIC Assured-Insured Warrants, will include a provision pursuant to which, so long as the Plan Support Termination Date has not occurred, each Plan Support Party will not assert a claim against such Sewer Warrant Insurer or demand payment from such Sewer Warrant Insurer or institute or prosecute any litigation to obtain payment from such Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring such Plan Support Party's Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit any rights of such Plan Support Party to assert that such Plan Support Party, and not such Sewer Warrant Insurer, owns, controls and may exercise all rights against the County related to such Sewer Warrants (but not with respect to any Sewer Warrants or other rights held by a Sewer Warrant Insurer as a result of payments made or to be made under any DSRF policy or wrap policy) and to appear in any rehabilitation or other proceeding (including, without limitation, the County's chapter 9 proceeding and FGIC's rehabilitation proceeding) to assert such rights. Nothing herein shall preclude or limit the right of any Sewer Warrant Insurer to make payments under any policy issued by it pursuant to the terms of such policy and the Indenture.

6. By the Commission approving the resolution directing the President of the Commission to execute each Plan Support Agreement, the County shall commit (subject to confirmation of the Plan and the occurrence of the Effective Date, and in accordance with and pursuant to the Plan) to institute future sewer rate modifications in the Approved Rate Schedule, which will be adequate to achieve rate increases of up to 7.41% in each of the first four years after the Effective Date, and up to 3.49% in each year thereafter so long as the New Sewer Warrants remain outstanding, consistent with a financing plan containing assumptions

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

regarding an issuance amount, costs of issuance, issuance proceeds, rate and revenue forecasts, and assumptions concerning elasticity, operating expenditures and capital expenditures, each as will be presented for consideration and approval by the Commission simultaneously with the above-referenced plan support agreements (the “**Financing Plan**”). To the extent the County can issue the New Sewer Warrants, in the amounts required hereunder, by committing to rate increases that are lower than those set forth in the Approved Rate Schedule, the County may do so. In addition, the documents governing the New Sewer Warrants shall contain rate, revenue and other customary covenants permitting the County, following the Effective Date, to institute sewer rate modifications reducing, or requiring the County to institute sewer rate modifications increasing rates from those set forth in the Approved Rate Schedule, depending on positive or negative variances following the Effective Date from the Financing Plan.

7. The Plan Support Agreements will specify the exact holders and amounts of sewer warrants held by each counterparty as of the date on which the applicable Plan Support Agreement is executed, including the sewer warrants in the aggregate principal amount of approximately \$335 million that are held by the Sewer Warrant Insurers, exclusive of the FGIC Assured-Insured Warrants. The Plan Support Agreements between the County and the Sewer Warrant Insurers will include a representation that the applicable Sewer Warrant Insurer has not sold, assigned, or otherwise transferred (except pursuant to any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof) any claims asserted in any proof of claim filed by such Sewer Warrant Insurer and retains the right to vote on the Plan on account of all sewer warrants held by such Sewer Warrant Insurer.

C. Plan Classification And Treatment Of Certain Sewer Debt Claims²

1. General Sewer Warrant Claims

Class 1-A will largely consist of all general, non-insurer held sewer warrant claims and the FGIC Assured-Insured Warrants.³ Claims in Class 1-A shall be allowed and treated as provided for herein and included in the Plan.

² Additional classification issues will be addressed in the final documents, including regarding sewer swap and other subordinated claims.

³ For the avoidance of doubt and notwithstanding anything to the contrary in this Term Sheet, (i) the FGIC Assured-Insured Warrants will be treated as a Class 1-A General Sewer Warrant Claims and not as a Class 1-B Sewer Warrant Insurers Claims, (ii) FGIC shall not be required to make a Commutation Election with respect to the FGIC Assured-Insured Warrants, and (iii) no release required in the Term Sheet or any Plan Support Agreement or any Sewer Warrant Insurers Agreements shall release or modify FGIC’s rights under any insurance policy issued by Assured insuring the FGIC Assured-Insured Warrants, except as provided in the Plan
(footnote continued on next page)

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Each holder of an allowed Class 1-A claim shall receive the right to choose between the following two distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a distribution of cash from refinancing proceeds and other sources of cash in an amount equal to 80% of the Adjusted Principal Amount of such holder's sewer warrants in full settlement, satisfaction, and release of all of the holder's claims against the County and all the Plan Support Parties (including, without limitation, against the Sewer Warrant Insurers in respect of any insurance policies insuring such holder's sewer warrants, and any claims on account of prepetition default rate interest with respect to such holder's Sewer Warrants); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a distribution of cash from refinancing proceeds and other sources of cash in an amount equal to (A) 65% of the Adjusted Principal Amount of such holder's Sewer Warrants and (B) 65% of the allowed amount, if any, of any claims on account of prepetition default rate interest with respect to such holder's Sewer Warrants in full settlement, satisfaction, and release of all of the holder's claims against the County, and (ii) the retention of any rights against the applicable Sewer Warrant Insurer in respect of any wrap policies insuring such holder's sewer warrants which rights shall not be waived or impaired.

Consistent with the terms set forth in that certain plan support agreement by and between the County and JPMorgan, mechanisms to be determined will be specified in the Plan to result in the re-allocation of the *pro rata* consideration otherwise flowing to JPMorgan on account of sewer warrants it owns in order to, among other things, allow other sewer creditors and the Plan Support Parties to receive the treatment described in this term sheet.

2. Sewer Warrant Insurers Claims

Class 1-B or any separate subclasses thereof that may be agreed to among the County and the Sewer Warrant Insurers will consist of all claims against the County held by the Sewer Warrant Insurers, whatever the origin (including based on sewer warrants now held, claims under any of the DSRF or wrap policies, litigation claims, and all other claims of any nature whatsoever), but excluding (i) the Insurer Outlay Amount (which will be reimbursed from Accumulated Revenues on the Effective Date pursuant to paragraph D.2) and (ii) the FGIC Assured-Insured Warrants.

Claims in Class 1-B shall be allowed and treated as provided for herein and included in the Plan and shall not be subject to dispute or challenge by the County or any Plan Support Party prior to

with respect to all other holders of Class 1-A General Sewer Warrant Claims. Subject to the approval of the disclosure statement for the Plan, FGIC will vote the FGIC Assured-Insured Warrants in favor of the Plan.

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

any Plan Support Termination Date, and which claims shall not be subject to any further defense, counterclaim, subordination, or offset of any kind. The holders of Class 1-B claims shall receive from the County on the Effective Date, in full satisfaction, release, and exchange of each such holder's claims:

- a. An aggregate distribution of \$165,000,000 in cash from refinancing proceeds and other sources of cash, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth and as agreed between and among the Sewer Warrant Insurers pursuant to one or more separate written agreements of the Sewer Warrant Insurers (to which the County is not a party), including those certain commutation and settlement agreements between and among the Sewer Warrant Insurers (collectively, the "**Sewer Warrant Insurers Agreements**") to be executed prior to or contemporaneously with the Plan Support Agreements.
- b. An aggregate distribution of cash from refinancing proceeds and other sources of cash in an amount equal to the Non-Commutation True-Up Amount, which aggregate amount shall be distributed among the Sewer Warrant Insurers such that each Sewer Warrant Insurer shall receive all such amounts that are attributable to its respective insured warrants held by persons that elected not to make or were not deemed to make the Commutation Election.
- c. A payment in full in an amount equal to each Sewer Warrant Insurer's Tail Risk, payable pursuant to individual agreements of each Sewer Warrant Insurer with the County, which will include provisions regarding Tail-Coverage Escrow Accounts and Tail-Coverage Protocols (the "**Tail Risk Payment Agreements**"), it being understood that a condition to the Effective Date is that the aggregate Tail Risk shall not exceed \$25 million as set forth in paragraph E.2 below.
- d. Distributions of cash as required pursuant to the terms of paragraph D.2 below.

D. Certain Other Plan Provisions

1. The County and each Plan Support Party will grant broad mutual releases as among each of them and their specified "Related Parties" with respect to claims related to the County, the sewer warrants, and the policies insuring the sewer warrants, excluding any claims by FGIC against Assured on the wrap policy or policies insuring the FGIC Assured-Insured Warrants and except to the extent provided in Section 3(e) of the Ad Hoc Warranholders' Plan Support Agreement, effective as of the Effective Date. The Plan will also include exculpation provisions in favor of the County, the Plan Support Parties, and their respective "Related Parties" to the maximum extent permitted by applicable law.

2. The Plan will provide that, to implement a settlement incorporated into the Plan pursuant to Federal Rule of Bankruptcy Procedure 9019 of any and all claims and

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

matters raised in the Declaratory Judgment Action, and any claims related to the reapplication to principal of any interest payments made on the Sewer Warrants during the chapter 9 case, on the Effective Date, the Insurer Outlay Amount and all non-default rate interest accrued and unpaid as of the Effective Date (without providing for interest on interest) and all principal amounts which have become due and payable prior to the Effective Date (without giving effect to any acceleration or any accelerated redemption schedule) shall be distributed to the applicable parties from the Accumulated Revenues, including on the sewer warrants held by the Plan Support Parties.

3. The Plan and the Confirmation Order will enjoin the Indenture Trustee and any holders of sewer warrants or any other person from pursuing any right of payment under (i) any DSRF policy or (ii) any wrap policy with respect to any warrant holder which made or is deemed to have made the Commutation Election, but shall not enjoin any holders of sewer warrants from pursuing any right of payment under the applicable wrap policy against the applicable Sewer Warrant Insurer, but only with respect to any sewer warrants as to which the holder has not made or has not been deemed to make the Commutation Election. On the Effective Date, (x) the sewer warrants will be deemed discharged and cancelled; (y) all DSRF policies and DSRF related agreements shall be deemed cancelled and of no further force and effect, and the Indenture Trustee will close the Debt Service Reserve Account under the Indenture and return any surety bonds or other documentation evidencing the DSRF policies to the applicable Sewer Warrant Insurer; and (z) all wrap policies will be deemed cancelled and of no further force and effect except with respect to claims made or to be made under the applicable wrap policies against the applicable Sewer Warrant Insurer by any holders of Class 1-A claims who did not make or are not deemed to make the Commutation Election (including FGIC with respect to the FGIC Assured-Insured Warrants and pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) and such wrap policies (in the case of FGIC, as modified by any plan of rehabilitation shall remain in full force and effect with respect to such claims.

4. Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the New Sewer Warrants and the covenants made by the County for the benefit of the holders thereof (including, without limitation, the revenue and rate covenants) 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 special revenues, which validation will be set forth in the Plan and Confirmation Order.

5. Confirmation of the Plan shall constitute a finding that the Approved Rate Schedule complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6). Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the Approved Rate Schedule is appropriate and binding on and specifically enforceable against the County, the County Commission, and all parties in interest in accordance with the Plan, including because such Approved Rate Schedule is a valid provision made to pay or secure payment of the New Sewer Warrants.

6. All right, title, and interest in and to the sewer system will remain with the County and following the Effective Date, the County Commission will continue to govern the County and oversee the sewer system in accordance with the Plan, the County's constituent documents, the Constitution and applicable statutes of the State of Alabama, the Consent Decree, and other applicable laws.

7. The Plan and the Confirmation Order will provide for broad retained bankruptcy jurisdiction to the maximum extent permitted by law, which will expressly include 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, including implementation or enforcement of the Approved Rate Schedule, issuance of the New Sewer Warrants, implementation or enforcement of the Commutation Election, and implementation or enforcement of all injunctions or releases associated with the Plan.

8. The County will enter into a backstop/put agreement with the Ad Hoc Warrantholders in respect of certain obligations with respect to the New Sewer Warrants in exchange for consideration to be paid on the Effective Date.

9. The Plan and solicitation procedures relating to the Plan will provide that any holder of sewer warrants that votes to accept the Plan will be deemed to have released as of the Effective Date all of such holder's claims against the County, against the Plan Support Parties, and against their respective "Related Parties" other than any rights of a holder not making the Commutation Election (including FGIC with respect to the FGIC Assured-Insured Warrants and pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement) against the applicable Sewer Warrant Insurer under the applicable wrap policy.

E. Certain Conditions To The Effective Date

1. The County shall have entered into a settlement agreement with the IRS regarding the pending audit on terms acceptable to the County and the Plan Support Parties; *provided, however*, that if any settlement payment is required to be made to the IRS, such payment shall be payable exclusively from the Indenture Funds, Accumulated Revenues, or gross sewer revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate refinancing consideration to be paid to sewer creditors or any other payments described herein to be paid to the Plan Support Parties.

2. The aggregate Tail Risk shall not exceed \$25.0 million.

3. No Sewer Warrant Insurer shall incur Tail Risk that is not Covered Tail Risk.

4. The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate refinancing and other cash consideration to make the payments to holders of Class 1-A claims as provided in the Plan Support Agreements (and the Plan) shall be available to the County and shall have been paid under the Plan to the Indenture Trustee for distribution in accordance with the Plan on the Effective Date. The aggregate refinancing and other cash consideration to make the payments to holders of Class 1-B claims as provided in the Plan Support Agreements (and the Plan) shall be available to the County and shall have been paid under the Plan to the applicable Sewer Warrant Insurer on the Effective Date.

5. All of the settlements and releases contemplated by the Plan shall have been approved pursuant to the Confirmation Order.

6. The Plan Support Agreements, the Sewer Warrant Insurers Agreements, and the Tail Risk Payment Agreements shall be in full force and effect and any and all payments required under (i) the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer and (ii) the Tail Risk Payment Agreements shall have been paid or placed into escrow, as the case may be, in accordance with such Tail Risk Payment Agreements.

7. The Effective Date shall have occurred prior to the Outside Date.

8. For all purposes, including distributions under the Plan, all series of sewer warrants shall be deemed accelerated as of the Effective Date, which shall occur immediately before the distribution of consideration on the Effective Date. With respect to any sewer warrants as to which the Commutation Election is not made or not deemed to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects to pay

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

accelerated principal on such sewer warrants, the Trustee shall be deemed as of the Effective Date to have submitted a draw request under the applicable wrap policy in respect of outstanding principal and interest accrued to the date of acceleration on all such non-commuted warrants. Payment, as provided in the applicable wrap policy, of all outstanding accelerated principal and interest on such non-commuted sewer warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable wrap policy with respect to such sewer warrants.

9. Without limiting or restricting other provisions herein regarding approval by the Sewer Warrant Insurers of certain documents or actions, the Plan, in a form acceptable to the County and the Plan Support Parties to the extent the relevant provisions of the Plan would affect the rights of the applicable Plan Support Party, shall have been confirmed by the Confirmation Order of the Bankruptcy Court (which order shall incorporate the provisions of, and otherwise be materially consistent with, this term sheet and the Plan Support Agreement involving the Sewer Warrant Insurers, and shall be in a form acceptable to the County and Plan Support Parties to the extent the relevant provisions of the Confirmation Order would affect the rights of the applicable Plan Support Party), the Confirmation Order shall have been entered and not subject to any stay, and all closing documentation shall have been executed and become effective and, to the extent required by the Plan Support Agreement or the Plan, approved by the Plan Support Parties.

The Plan will provide that the conditions to the Effective Date cannot be waived or modified except upon written agreement of the County and any Plan Support Party that is affected by the subject condition.

F. Procedural Issues Regarding Commutation Election and Related Matters

1. The procedures related to the Commutation Election, the ballot to be distributed to holders of Class 1-A claims, the form, content, timing, and solicitation procedures for service on and notice to holders of Class 1-A claims regarding the Commutation Election and the Plan (including of the confirmation hearing, the deadline to file objections to the Plan, the releases and injunctions in the Plan, and any other matters affecting the Commutation Election) will be in a form acceptable to the Sewer Warrant Insurers and the County and will be approved by the Bankruptcy Court. The County will employ Kurtzman Carson Consultants LLC ("**KCC**") (or any other entity retained by the County acceptable to the Sewer Warrant Insurers) as a solicitation agent (which selection of KCC is acceptable to the Sewer Warrant Insurers), and KCC (or any other agent) will take all reasonable efforts to provide holders of Class 1-A claims with actual notice regarding the Commutation Election and the Plan. The ballot will include a box (or other mechanism agreed by the County and the Sewer Warrant Insurers and approved by the Bankruptcy Court) allowing such holder to indicate whether such holder has elected to make or not make the Commutation Election. All Plan Support Parties that hold Class 1-A claims must

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

return a ballot accepting the Plan by the deadline for doing so and, other than FGIC with respect to the FGIC Assured-Insured Warrants or pursuant to Section 3(e) of the Ad Hoc Warrantholders' Plan Support Agreement, make the Commutation Election. All holders of Class 1-A claims that (i) do not return any ballot by the applicable deadline for doing so, (ii) return a ballot by the deadline for doing so but do not make any election with respect to the Commutation Election, or (iii) return a ballot by the applicable deadline for doing so and indicate both an election to make and an election to not make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (i) any holder of the Series 2003-B-8 sewer warrants insured by Assured that either does not return a ballot, does not indicate an election on any ballot that is returned by the applicable deadline for doing so, or returns a ballot by the applicable deadline for doing so and indicates both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election and (ii) any holders of the Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured which are "deemed" to make the Commutation Election will be notified by the solicitation agent of their right to rescind such Commutation Election by providing written notice thereof to KCC (or any other agent), Assured, and the County not less than 29 calendar days after the deadline for making the Commutation Election (which date shall in all events be prior to any confirmation hearing) and being paid and treated in accordance with Option 2 of paragraph C.1. The County shall provide counsel to the Sewer Warrant Insurers with a copy of the ballot tabulation and Commutation Election results (after giving effect to any rescissions exercised by any holders of the Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured) within one (1) business day of the completion of the report of such results by KCC (or any other agent) and the County.

2. The Plan shall provide that to the extent a holder of sewer warrants previously commuted or otherwise settled its claims against a Sewer Warrant Insurer under an applicable insurance policy or policies, such previous commutation or settlement shall not be affected by the Plan and shall remain binding and effective in accordance with the terms of the applicable agreements.

G. Certain Additional Matters

1. Except as otherwise specified in this term sheet, all existing Indenture Funds (both disputed and undisputed) and all Accumulated Revenues remaining after payment of the amounts required in paragraph D.2, will, along with the refinancing proceeds, be used to satisfy the County's obligations under the Plan. In addition, but only to the extent that doing so does not diminish or reduce the payments to be made to the Sewer Warrant Insurers or sewer creditors under the Plan, an amount equal to the aggregate balance of the available Indenture Funds and Accumulated Revenues remaining after payment of the amounts required in paragraph D.2, will be used to fund a debt service reserve fund under the new indenture for the New Sewer Warrants and additional proceeds of the New Sewer Warrants after such Plan

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

payments will be utilized to top off a reserve account at 10% of outstanding principal of the New Sewer Warrants, provided that such reserve shall not diminish or reduce the payments to be made to the Sewer Warrant Insurers or sewer creditors under the Plan. Until the earliest of (A) the Effective Date, or (B) the Plan Support Termination Date, and notwithstanding any ruling by the Bankruptcy Court which may authorize any other payments, the Indenture Funds may be used only to pay (i) reasonable capital expenditures associated with the sewer system from the following accounts at Regions Bank: Account Number 1020003424, Account Number 1020004735, and Account Number 1020003460; and (ii) the reasonable fees and costs of the Indenture Trustee to the extent permitted to be paid under the sewer warrant indenture.

2. The County will file a motion (to be heard prior to or contemporaneously with the confirmation hearing regarding the Plan) seeking the Bankruptcy Court's approval of the incurrence of all indebtedness and extensions of credit necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of the New Sewer Warrants, the incurrence of any underwriting fees to be paid at closing, and the incurrence of the backstop/put obligations. In such motion, the County will further seek a ruling that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness or extensions of credit to the maximum extent permitted by law. The form of such motion and proposed order thereon shall be acceptable to each of the Plan Support Parties.

3. To the extent necessary to implement any provision of the Plan or any related transactions, the County shall provide its consent for purposes of Bankruptcy Code section 904.

4. Costs of issuance with respect to any refinancing, including work of the County's bond counsel relating to the issuance, will be paid from the gross proceeds of the issuance of the New Sewer Warrants.

5. Whenever this term sheet provides that any party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Plan must in all events contain the terms set forth herein and in the Plan Support Agreements.

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

Exhibit A

Certain Key Defined Terms

“Accumulated Revenues” mean all system revenues that are deposited and retained by the Indenture Trustee in either the “Jefferson County Sewer System Revenue Account” or the “Jefferson County Sewer System Debt Service Fund” as of and after January 31, 2013, and through the Effective Date.

“Ad Hoc Warrantholders” means those Plan Support Parties advised by Kramer Levin Naftalis & Frankel LLP, Tanner & Guin, LLC, and GLC Advisors & Co. which holders own, or advise accounts that own, in the aggregate no less than \$872,559,361.11 principal amount of sewer warrants as of the date of the Ad Hoc Warrantholders’ Plan Support Agreement.

“Adjusted Principal Amount” means the amount of principal considered to be outstanding on each of the sewer warrants as of January 31, 2013, based upon the records maintained by the Indenture Trustee, less payments to be made on the Effective Date of the Plan from the Accumulated Revenues as set forth in paragraph D.2. The Adjusted Principal Amount is anticipated to be approximately \$3.078 billion.

“Approved Rate Schedule” means the structure of rates to be charged by the County to support the repayment of the New Sewer Warrants, which structure of rates shall be approved by the Bankruptcy Court pursuant to the Plan and the Confirmation Order.

“Commutation Election” means an election or deemed election by a holder of sewer warrants to commute, waive, and forever release and forego (i) any rights against the applicable Sewer Warrant Insurer insuring such holder’s sewer warrants to receive any payments from or on account of such Sewer Warrant Insurer’s related policy or policies, (ii) any claims on account of prepetition default rate interest, and (iii) any other claims or causes of action against the County or against any of the Plan Support Parties.

“Covered Tail Risk” means an amount not to exceed \$25 million in the aggregate that will be allocated (and subject to reallocation) on account of the Tail Risk to the Sewer Warrant Insurers pursuant to the respective Tail Risk Payment Agreements.

“FGIC Assured-Insured Warrants” means Series 2003-B-8 Sewer Warrants in the principal amount of \$6,000,000 insured by one or more wrap policies issued by Assured, and held by FGIC as an investment.

“Indenture Funds” means any funds or accounts that are established by or have any connection to the sewer warrant indenture regardless of the pendency of any dispute concerning whether

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

the Indenture Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

“Insurer Outlay Amount” means a sum equal to the amount of any payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of sewer warrants under the applicable insurance policy or policies on or after February 1, 2013 and through the Effective Date, plus interest on the principal portion of such payments, calculated at the warrant rate, i.e., 5.25% on the fixed rate warrants and two (2) times the one month LIBOR rate on the auction rate warrants. For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to warrant interest.

“New Sewer Warrants” means new sewer warrants to be issued pursuant to the Plan by the County.

“Non-Commutation True-Up Amount” means an aggregate amount equal to, with respect to each sewer warrant held by a person that elects to not make or is not deemed to make the Commutation Election, the difference between (i) 80% of the Adjusted Principal Amount of such sewer warrant, and (ii) 65% of the Adjusted Principal Amount of such sewer warrant.

“Outside Date” means December 31, 2013, or such later date as may be agreed in writing by the County and the Sewer Warrant Insurers, in their respective sole discretion.

“Plan Support Parties” means, collectively, the Ad Hoc Warrantholders, JPMorgan, the Sewer Warrant Insurers, and any additional sewer warrant holder that executes a Plan Support Agreement.

“Sewer Warrant Insurers” means, collectively, Assured, FGIC, and Syncora.

“Tail-Coverage Escrow Accounts” mean escrow accounts that will be established with respect to each of the Sewer Warrant Insurers and will be funded on the Effective Date with refinancing proceeds in an amount equal to the respective Covered Tail Risk for each of the Sewer Warrant Insurers, plus any interest or investment returns accruing thereon.

“Tail-Coverage Protocol” means an agreement between the County and each of the Sewer Warrant Insurers regarding the process for disbursement of funds from the respective Tail-Coverage Escrow Account to the applicable Sewer Warrant Insurer to reimburse such Sewer Warrant Insurer for payments made by the applicable Sewer Warrant Insurer on account of Tail Risk, which protocol will also include provisions for the reallocation of funds between and among Tail-Coverage Escrow Accounts and the return of any remaining funds in each Tail-Coverage Escrow Account to the County if the subject Sewer Warrant Insurer does not exhaust its Tail-Coverage Escrow Account, including the interest and/or any investment return thereon,

Jefferson County
Monoline Summary Term Sheet
For Purposes Of Sewer-Related
Plan Discussions

Settlement Communication
Subject to FRE 408

by paying its respective Tail Risk (i) over the entire term that any Tail Risk claims can be presented for payment to such Sewer Warrant Insurer (including any additional or subsequent cash payments that may be made by a Sewer Warrant Insurer on account of previously submitted Tail Risk claims that received prior payments) or (ii) in each Sewer Warrant Insurer's sole discretion, on an accelerated basis.

“Tail Risk” means the claim exposure of each of the Sewer Warrant Insurers under the wrap policies that remains after the Effective Date (after giving effect to the payments set forth in paragraph C.1 under the Plan to sewer creditors on the Effective Date and the County’s payment of the Non-Commutation True-Up Amount) based upon the aggregate amount of the sewer warrants held by holders that (i) elect to not make or are not deemed to make the Commutation Election; or (ii) hold Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured, and are “deemed” to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, which exposure will be agreed by the Sewer Warrant Insurers with the County in the Tail Risk Payment Agreements.

Exhibit B

Form of JPMorgan PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**", dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the "**County**"), on the one hand, and JPMorgan Chase Bank, N.A. ("**JPMorgan**") and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory hereto (together with JPMorgan, the "**JPM Parties**"), on the other hand. Each of the JPM Parties and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, JPMorgan and the Trustee, on behalf of the JPM Parties and other beneficial holders of the Sewer Warrants, have filed claims in the Bankruptcy Case against the County asserting rights to be paid, among other things, various amounts on account of principal and interest arising from or in connection with the Standby Agreements and the Indenture in respect of the Sewer Warrants held by the JPM Parties (collectively, the "**JPMorgan Sewer Warrant Claims**");

WHEREAS, the County disputes the JPM Parties' entitlements with respect to certain of the JPMorgan Sewer Warrant Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the JPM Parties dispute the County's contentions;

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of all sewer system and Sewer Warrant related disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Supporting Warrantholder PSA") with JPMorgan and with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders");

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Sewer Warrant Insurer PSA") with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. ("Assured"), Financial Guaranty Insurance Company ("FGIC"), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. ("Syncora"), each of which is referred to as a "Sewer Warrant Insurer" and collectively with the JPM Parties and the Supporting Warrantholders are the "Plan Support Parties";

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an "Acceptable Plan") and to meet the deadlines set forth in Section 7.1(q) hereof. The

County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing JPMorgan (the “JPMorgan Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The JPMorgan Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) The JPM Parties shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all JPMorgan Sewer Warrant Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; and (iii) provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan of all claims arising under or in connection with all JPMorgan Sewer Warrant Claims. For the avoidance of doubt, such releases shall not release any rights of the JPM Parties under an Acceptable Plan.

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the JPM

Parties or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) JPMorgan shall have the right to approve the provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the JPM Parties prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the Confirmation Order, (ii) the Disclosure Statement and the order or orders approving the Disclosure Statement and the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the ballots or such other documents that contain the Commutation Election, (iii) the Confirmation Order, (iv) the Stipulated Order (as defined below), (v) all other Acceptable Plan and closing documentation, and (vi) any other document which is subject to approval by JPMorgan pursuant to the Plan Term Sheet.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the proceeding pending before the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) styled *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”), except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and

a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order), the JPM Parties providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the JPM Parties to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the JPM Parties, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of the JPM Parties) expose the JPM Parties to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The JPM Parties shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date, at which time all pending Litigation against the JPM Parties will, pursuant to an Acceptable Plan, be dismissed with prejudice or (y) termination of this Agreement in accordance with Section 7.

(d) So long as none of this Agreement, the Supporting Warrantholder PSA, or the Sewer Warrant Insurer PSA has been terminated, the JPM Parties shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the JPM Parties’ Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of the JPM Parties to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and JPMorgan (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee*

v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama), Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(y) of the Agreement, after which the Parties’ rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Representations and Covenants Regarding Claims.

(a) JPMorgan represents that the JPM Parties own the Sewer Warrants set forth on Schedule 1 hereto, and retain all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. For the avoidance of doubt, all references in this Agreement to the JPM Parties and the JPMorgan Sewer Warrant Claims shall relate to the JPM Parties in their capacity as the beneficial owners of the Sewer Warrants set forth on Schedule 1 hereto, and shall not include any such JPM Party or JPMorgan Sewer Warrant Claims to the extent of any Sewer Warrants not included on Schedule 1 that may be held by a JPM Party in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders. JPMorgan represents that as of the date of this Agreement, the JPM Parties have not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of their respective right, title, or interest in any Sewer Warrants that is inconsistent with, or in violation of, the representations and warranties of JPMorgan herein, in violation of the obligations of the JPM Parties under this Agreement, or that would adversely affect in any way the performance of their obligations under this Agreement at the time such obligations are required to be performed.

(b) JPMorgan covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement, the JPM Parties will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of the JPMorgan Sewer Warrant Claims, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”) other than any Transfer between one JPM Party and another JPM Party. Other than any Transfer between one JPM Party and another JPM Party, any attempt to Transfer any JPMorgan Sewer Warrant Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Unless the County and JPMorgan otherwise agree, other than any

Transfer between one JPM Party and another JPM Party, the JPM Parties shall not acquire any additional Sewer Warrants.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the Sewer Warrant Insurer PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit B** and **Exhibit C**.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the JPM Parties and the other Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to JPMorgan of any termination of, amendment to, or written notice of potential termination of the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(q)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(q)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to JPMorgan;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

(b) In connection with the agreement of the JPM Parties to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, each of the JPM Parties shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

Section 7. Termination & Default.

7.1 Events of Termination & Default.

(a) The County and the JPM Parties may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If either the County or JPMorgan provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the County and JPMorgan in writing (the "Standstill Date"), then JPMorgan or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) JPMorgan or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then JPMorgan or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any of the JPM Parties materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County, then, subject to the JPM Parties' rights under Section 7.2(a), the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If JPMorgan materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then, subject to JPMorgan's rights under Section 7.2(a), the County may terminate this Agreement by giving a

second written notice to each other Party within twenty (20) calendar days of the first written notice.

(k) If the County materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan, and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(m) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the JPM Parties under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from JPMorgan, then JPMorgan, but only if such action adversely affects a right, obligation, or interest of the JPM Parties, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(n) If any of the JPM Parties files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(o) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the JPMorgan Sewer Warrant Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the JPM Parties (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(p) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then either the County or JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(q) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement by August 30, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

then, in each case, JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If the Supporting Warrantholder PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If the GO PSA shall have been terminated by (i) either the County or JPMorgan, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter; or (ii) any other party to the GO PSA, then either the County or JPMorgan may terminate this Agreement by giving ten (10) calendar days written notice to each other Party after any such termination of the GO PSA by such other party.

(u) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date,

then either the County or JPMorgan may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(v) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and JPMorgan, then either the County or JPMorgan may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(w) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(x) If the County amends the Financing Plan in any material respect without the written approval of JPMorgan and does not rescind such amendment or obtain the written approval of JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from JPMorgan (which written notice must be provided by JPMorgan within seven (7) calendar days after the County provides the notice required by Section 4(d)), then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(y) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (y) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(o), and (u), (v), and (x), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(o), (v), and (x), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.13; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(y)), any and all ballots with respect to an Acceptable Plan delivered by the JPM Parties prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(y), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict the JPM Parties or their respective officers or representatives from engaging in discussions with or among any or all of: the County, any Supporting Warrantholder, any Sewer Warrant Insurer,

any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the JPM Parties. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.12 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Supporting Warrantholder PSA and the GO PSA, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject

matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and the JPM Parties.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to the JPM Parties:

JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.12.

8.13 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.14, 8.15, 8.16, and this Section 8.13 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.14 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., and E. of the Plan Term Sheet, parts C., D., and E. of the Plan Term Sheet shall control.

8.15 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

8.16 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMORGAN CHASE BANK, N.A.

By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.

By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC

By: William A. Austin
Its: Authorized Signatory

Schedule 1

Sewer Warrants Owned By the JPM Parties

Sewer Warrants¹

Series 2002-C 1 and 5:	\$ 200,750,000
Series 2002-C 2:	\$ 47,711,810
Series 2003-B 1:	\$ 495,455,000
Series 2003-C 1-5:	\$ 373,500,000
Series 2003-C 9-10:	\$ 103,950,000
Total:	\$1,221,366,810 ²

¹ Principal amount of Sewer Warrants; amounts exclude (i) prepetition default interest and fees (Series 2002-C 2) to be waived on the Effective Date, (ii) accrued and unpaid non-default interest on all Series to be paid on the Effective Date from Accumulated Revenues, (iii) regularly scheduled principal amortization (Series 2003-B 1) to be paid on the Effective Date from Accumulated Revenues, and (iv) swap claims of JPMorgan affiliate to be waived on the Effective Date.

² Total Adjusted Principal Amount estimated to be \$1,218,000,000.

Exhibit C

Form of Supporting Warrantholder PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**"), dated as of June 6, 2013, is made and entered into by and among (i) Jefferson County, Alabama (the "**County**"); (ii) each holder of Sewer Warrants signatory hereto (as further defined below, including those holders that become party hereto by signing a Transfer Agreement (as defined below), the "**Supporting Warrantholders**"); and (iii) JPMorgan Chase Bank, N.A. ("**JPMorgan**"). Each of the Supporting Warrantholders, JPMorgan, and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein and, in the case of JPMorgan and the County, in the JPMorgan PSA (as defined below), each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "**Restructuring**") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County and JPMorgan are contemporaneously entering into a separate plan support agreement (the “JPMorgan PSA”) and JPMorgan is a party to this Agreement to give effect to the agreement between JPMorgan and the Supporting Warranholders set forth in Section 5 hereof;

WHEREAS, the County is contemporaneously entering into a plan support agreement (the “Sewer Warrant Insurer PSA”) with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“Assured”), Financial Guaranty Insurance Company (“FGIC”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“Syncora”), each of which is referred to as a “Sewer Warrant Insurer” and collectively with the Supporting Warranholders and JPMorgan are the “Plan Support Parties”;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 8.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the Ad Hoc Professionals and counsel to JPMorgan draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Ad Hoc Professionals and counsel to JPMorgan will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), the Backstop/Put Agreement, and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the

expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Supporting Warrantholders shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, vote all Sewer Warrants it holds as of the date hereof or may hereafter acquire (the “Covered Sewer Warrants,” including those Sewer Warrants held as of the date hereof and set forth opposite its name on Schedule 1 (the “Eligible Sewer Warrants”)) to accept an Acceptable Plan (through submission of a ballot directly to the County’s balloting agent to the extent so permitted by the solicitation procedures order or to its prime broker or nominee holder, as applicable, in either case with a copy to the County and JPMorgan) on or before the day that is twenty-one (21) calendar days prior to the deadline set by the Bankruptcy Court for voting on an Acceptable Plan (as confirmed in writing by the County once determined, the “Ballot Submission Deadline”) and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 8.4; (iii) make the election described in Section 3[b] of the Plan Term Sheet with respect to all Covered Sewer Warrants as of the Ballot Submission Deadline contemporaneously with the vote to accept an Acceptable Plan (except to the extent provided in Section 3(e)); and (iv) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties of all claims arising under or in connection with the Covered Sewer Warrants (including providing releases as contemplated by the Plan Term Sheet) (except to the extent provided in Section 3(e)). For the avoidance of doubt, such releases shall not release any rights of the Supporting Warrantholders (x) vis-à-vis each other to the extent not released in or reserved in any agreement among the Supporting Warrantholders, or (y) under an Acceptable Plan. Also for the avoidance of doubt, Covered Sewer Warrants shall not include any Sewer Warrants that are acquired after the date hereof in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders for which such Supporting Warrantholder does not have the power to bind (“Fiduciary Sewer Warrants”).

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) Each Supporting Warrantholder confirms its intention to purchase a portion of the offering of New Sewer Warrants to the extent necessary and as contemplated in the Plan Term Sheet, subject to execution of a Backstop/Put Agreement containing terms and conditions acceptable to such Supporting Warrantholder and the County (including agreement concerning the terms of the indenture for the New Sewer Warrants), with commitments to be allocated among the Supporting Warrantholders on a pro rata basis based upon the Supporting

Warrantholders' holdings of Eligible Sewer Warrants or on other terms acceptable to each Supporting Warrantholder and the County.

(h) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Supporting Warrantholders or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(i) At any time, a Supporting Warrantholder shall be required to comply with the terms of this Agreement with respect to Covered Sewer Warrants it holds at such time, and not with respect to Sewer Warrants that it has transferred in accordance with Section 3.

(j) Whenever this Agreement provides that any Party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Litigation" shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC rehabilitation proceeding, except for any actions taken in the FGIC rehabilitation proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC rehabilitation proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of any Party to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction), including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of any Party) expose any such Party to liability (contingent or otherwise) or unreimbursed material expense.

(b) The County and each Supporting Warrantholder agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) Each Supporting Warrantholder shall, with respect to all Sewer Warrants held by it, shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 8.

(d) So long as none of this Agreement, the JPMorgan PSA, or the Sewer Warrant Insurer PSA has been terminated, each Supporting Warrantholder shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any Litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring such Supporting Warrantholder’s Covered Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of such Supporting Warrantholder to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and the Majority Eligible Warrantholders (as defined below) (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the

Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Section 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 8 of the Agreement, other than under Section 8(w) of this Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Ownership; Transfers of Sewer Warrants.

(a) Except as otherwise provided, permitted, or exempted in this Section 3, each Supporting Warrantholder, severally, and not jointly, represents, warrants, and covenants that:

(i) such Supporting Warrantholder is the owner of, or advises the accounts that own, the Eligible Sewer Warrants set forth opposite its name on Schedule 1 hereto, and has and shall maintain the power and authority to bind all the legal and beneficial owner(s) of such Eligible Sewer Warrants to the terms of this Agreement;

(ii) such Supporting Warrantholder (a) has and shall maintain full power and authority to execute and deliver its signature page(s) to this Agreement and, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants to accept an Acceptable Plan or (b) has received an irrevocable direction from the party having full power and authority, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants and execute and deliver its signature page(s) to this Agreement;

(iii) none of the Eligible Sewer Warrants constitute Fiduciary Sewer Warrants;

(iv) other than as permitted under this Agreement, its Eligible Sewer Warrants are and shall continue to be free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed; and

(v) such Supporting Warrantholder has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Eligible Sewer Warrants held by such Supporting Warrantholder as of the date hereof that are inconsistent with, or in violation of, the representations and warranties of such Supporting Warrantholder herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Supporting Warrantholder individually covenants that, from the date hereof until the termination of this Agreement, it will not sell, pledge, hypothecate, or otherwise

transfer, assign or dispose of any of its Eligible Sewer Warrants, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”), except (x) to another Supporting Warrantholder (and any such Eligible Sewer Warrants so transferred shall remain Eligible Sewer Warrants) or (y) to a person or entity (a “Transferee”) that as a condition to such Transfer executes and delivers to the County at least three (3) Business Days prior to the settlement of such Transfer an agreement in writing substantially in the form of Exhibit B-1 hereto (a “Transfer Agreement”), pursuant to which such Transferee agrees (i) to become a party to and be bound by all terms of this Agreement applicable to a Supporting Warrantholder as if such Transferee were an original signatory hereto; (ii) to become a party to and be bound by the Backstop/Put Agreement, to the extent such transferring Supporting Warrantholder was so bound in respect of the Eligible Sewer Warrants that are the subject of the Transfer; and (iii) to retain the same counsel and financial advisor that, at the time of the Transfer, are retained by Supporting Warrantholders holding at least a majority of the Eligible Sewer Warrants (the “Majority Eligible Warrantholders”) through appropriate retention documentation with respect to matters concerning the Sewer Warrants or to otherwise abide by the decisions of the Majority Eligible Warrantholders. “Business Day” means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Federal Rule of Bankruptcy Procedure 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order. For the avoidance of doubt, a Supporting Warrantholder’s rights and obligations under this Agreement and the Backstop/Put Agreement (if any) may not be transferred separately and must be transferred together.

(c) Notwithstanding Section 3(b), if a Transferee is a Qualified Marketmaker, then the Supporting Warrantholder making the Transfer shall cause such Transferee to execute and deliver to the County at least three (3) Business Days prior to the settlement of such Transfer a Marketmaker Transfer Agreement substantially in the form of Exhibit B-2 hereto and such Qualified Marketmaker shall cause any subsequent Transferee to execute a Transfer Agreement in the form of Exhibit B-1, to the extent such subsequent Transferee is not a Qualified Marketmaker or a Transfer Agreement substantially in the form of Exhibit B-2 to the extent such Transferee is a Qualified Marketmaker. “Qualified Marketmaker” means an entity that (x) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Sewer Warrants issued by the County or other claims against the County, or enter with customers into positions in Sewer Warrants issued by the County or other claims against the County, in either case in its capacity as a dealer or market maker in Sewer Warrants or other claims against the County; and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers.

(d) This Agreement shall not be construed to preclude any Supporting Warrantholder from acquiring additional Sewer Warrants; *provided, however*, that any additional Sewer Warrants acquired by such Supporting Warrantholder (i) shall be Covered Sewer Warrants but (ii) shall not be Eligible Sewer Warrants unless such warrants were, initially, Eligible Sewer Warrants. For the avoidance of doubt, a Transfer of Covered Sewer Warrants that are not Eligible Sewer Warrants (“Excess Sewer Warrants”) shall not be subject to the transfer restrictions contained in this Section 3 other than during the Excess Warrant Restriction Period (as defined below); *provided, further, however*, that for so long as a Supporting

Warrantholder owns Covered Sewer Warrants, it must otherwise comply with all obligations under this Agreement with respect to such Covered Sewer Warrants.

(e) Notwithstanding anything to the contrary herein, to the extent that Excess Sewer Warrants consist of Sewer Warrants in Series 2003-B-8 with a CUSIP# 472682MP5, 472682MQ3, 472682MR1, or 472682MS9 (“Exempt Excess Sewer Warrants”), the relevant Supporting Warrantholder, solely with respect to such Exempt Excess Sewer Warrants, shall not be required (i) to elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement or (ii) to otherwise comply with the restrictions on transfer in Section 3; *provided, however*, that to the extent that a Supporting Warrantholder who is an original signatory to this Agreement holds any Exempt Excess Sewer Warrants on the Ballot Submission Deadline, such Party shall elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement.

(f) Notwithstanding Section 3(d), for the period beginning on the date on which the Disclosure Statement is approved by the Bankruptcy Court and continuing through and including the date(s) on which a confirmation hearing for an Acceptable Plan is held (the “Excess Warrant Restriction Period”), the Transfer of any Excess Sewer Warrants held by a Supporting Warrantholder or any option, right to acquire, or voting, participation, or other interest therein to any person or entity may be completed only in accordance with Section 3(b) and (c), as though such Excess Sewer Warrants were Eligible Sewer Warrants. On the first date of the Excess Warrant Restriction Period, each Supporting Warrantholder shall provide an update of the relevant portion of Schedule 1 showing such Party’s holdings of Covered Sewer Warrants (including both Eligible Sewer Warrants and Excess Sewer Warrants) to the County and JPMorgan. For the avoidance of doubt, other than during the Excess Warrant Restriction Period, any transfer of Excess Sewer Warrants may be completed without complying with the requirements for Transfers of Eligible Sewer Warrants in Section 3(b) and (c).

(g) No Supporting Warrantholder will create or use any subsidiary or affiliate to evade or attempt to evade the transfer restrictions set forth in this Section 3 or any other obligations set forth in this Agreement. Any attempt by any Supporting Warrantholder to transfer any Sewer Warrants or related rights or interests therein other than in compliance with this Section 3 shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Upon completion of a Transfer in compliance with this Section 3, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of such transferred Covered Sewer Warrants (and relinquished rights and released obligations).

Section 4. Additional County Covenants and Determinations.

(a) The County shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Covered Sewer Warrants to the extent and in the amount that distributions made generally available from the County to holders of Other Warrants (including in respect of the Covered Sewer Warrants) are increased.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Supporting Warrantholders and the other Plan Support Parties) shall be approximately \$1.835 billion, plus the distribution of the Reinstated Interest Payments and Reinstated Principal Payments pursuant to an Acceptable Plan as set forth in the Plan Term Sheet, plus the premium payable under the Backstop/Put Agreement.

(c) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan (in the case of the Sewer Warrant Insurer PSA) of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA or to the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Supporting Warrantholders and to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County represents that the Sewer Warrant Insurer PSA and the JPMorgan PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit C** and **Exhibit D**.

Section 5. Agreements Between the Supporting Warrantholders and JPMorgan.

As a material component of the Supporting Warrantholders' agreement to the transactions described in this Agreement and the Restructuring:

(a) In order to facilitate the various settlements to be implemented pursuant to an Acceptable Plan and the occurrence of the Effective Date, each Supporting Warrantholder hereby agrees (i) subject to Bankruptcy Code sections 1125 and 1126, to elect by the Ballot Submission Deadline the treatment under an Acceptable Plan set forth in Section 3[b] of the Plan Term Sheet in respect of all of its Covered Sewer Warrants (except to the extent provided in Section 3(e)); (ii) conditioned upon and effective as of the Effective Date, (A) to release each

Sewer Warrant Insurer from any claims it may have arising out of or relating to any insurance policies relating to its Covered Sewer Warrants (except to the extent provided in Section 3(e)), and (B) to waive any claims it may have for interest accruing or payable under its Covered Sewer Warrants at any rate other than the rate applicable to such Covered Sewer Warrants prior to the occurrence of an event of default under the Indenture or any Standby Agreement, as applicable; (iii) to comply with Section 2 above; and (iv) to comply with the restrictions on the transfer of its Sewer Warrants set forth in Section 3 above.

(b) Based upon the Supporting Warrantholders' agreements set forth in Section 5(a) above, JPMorgan will on or before the Effective Date, provide irrevocable directions to the County and the Trustee (or "paying agent" under an Acceptable Plan) to reallocate and distribute to each Supporting Warrantholder, instead of JPMorgan (and any of its affiliates holding Sewer Warrants), a portion of the cash recovery on the Sewer Warrants held by JPMorgan (and any such affiliates) under an Acceptable Plan, equal to (x) the principal amount of Eligible Sewer Warrants held by such holder (subject to Section 5(c) below) multiplied by (y) 3.46%; *provided, however*, that any increase in distributions made generally available from the County to holders of Other Warrants (including in respect of the Eligible Sewer Warrants) in excess of the amount set forth in part [b] of Section 3 of the Plan Term Sheet shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Eligible Sewer Warrants, and shall correspondingly reduce the amount of the JPMorgan reallocation to the benefited Supporting Warrantholders in respect of their Eligible Sewer Warrants pursuant to this Section 5(b); *provided, further, however*, that the aggregate JPMorgan reallocation to Supporting Warrantholders shall not be reduced below \$4 million.

(c) Each Supporting Warrantholder shall certify in writing to the County and JPMorgan no later than the third Business Day after the record date for distributions pursuant to the Acceptable Plan the amount of Eligible Sewer Warrants held by such Supporting Warrantholder as of such record date, *provided that*, for purposes of the reallocation pursuant to Section 5(b) above, the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 on the date of execution of this Agreement, and the aggregate amount of such reallocation shall not exceed the product of such total set forth on Schedule 1 multiplied by the percentage referenced in Section 5(b) above.

(d) Each of the Supporting Warrantholders' agreement to provide the releases and waivers as set forth in Section 5(a)(ii)(A) and (B) shall be conditioned on the continued effectiveness of this Agreement and the JPMorgan PSA, and compliance by JPMorgan with all of its obligations under or contemplated by this Agreement.

(e) JPMorgan's obligation to reallocate to the Supporting Warrantholders pursuant to Section 5(b) above a portion of JPMorgan's cash distributions under an Acceptable Plan on account of the Sewer Warrants held by JPMorgan (and any of its affiliates holding Sewer Warrants) shall be subject to Section 5(c) above and conditioned upon confirmation of an Acceptable Plan and the occurrence of the Effective Date, approval by the Bankruptcy Court of such reallocation by JPMorgan to the Supporting Warrantholders pursuant to Section 5(b) above, receipt by JPMorgan (and any such affiliates) of an indefeasible cash recovery on the Effective Date of not less than the amount set forth in the JPMorgan PSA, plus all Reinstated Interest Payments and any Reinstated Principal Payments, which amount shall be after giving effect to all

other concessions by JPMorgan pursuant to or in furtherance of an Acceptable Plan and such reallocation pursuant to Section 5(b) above, the continued effectiveness of this Agreement, the Backstop/Put Agreement and the JPMorgan PSA, and compliance by all Supporting Warrantholders with all of their obligations under or contemplated by this Agreement and the Backstop/Put Agreement.

Section 6. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party (pursuant to Section 5 hereof, in the case of JPMorgan), including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 7. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this

Agreement has not been terminated in accordance with Section 8, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 8.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 8.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Majority Eligible Warrantholders (and, in relation to the matters addressed in Section 5 hereof, JPMorgan);

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the deadline set forth in Section 8.1(o)(v) of this Agreement;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

(b) In connection with the agreement of the Supporting Warrantholders to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 8, each of the Supporting Warrantholders shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

Section 8. Termination & Default.

8.1 Events of Termination & Default.

(a) The County, JPMorgan, and the Majority Eligible Warrantholders may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a "Market Shift"), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Majority Eligible Warrantholders, JPMorgan, or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County's control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice

have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(e) If the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the "Standstill Date"), then the Majority Eligible Warrantholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) the Majority Eligible Warrantholders, JPMorgan, or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then the Majority Eligible Warrantholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Supporting Warrantholder materially breaches this Agreement (a “Breaching Warrantholder”) and such breach is not remedied, either by the Breaching Warrantholder or by one or more Supporting Warrantholders who have purchased the Covered Sewer Warrants held by the Breaching Warrantholder (or an equivalent amount of replacement Sewer Warrants of like series, type, and insurer, as applicable, which replacement warrants shall thereafter be treated as Covered Sewer Warrants or Eligible Sewer Warrants to the same extent as the replaced warrants were Covered Sewer Warrants or Eligible Sewer Warrants), within fifteen (15) calendar days of receiving written notice thereof from JPMorgan or the County to each Party or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by a Supporting Warrantholder, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by the County, then either JPMorgan or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan (but only if such modification adversely affects a right, obligation, or interest of such Party), and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of the Majority Eligible Warrantholders or JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the Supporting Warrantholders or JPMorgan, as applicable, under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, but only if such action adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If JPMorgan or any of the Supporting Warrantholders files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then

the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants, the Supporting Warrantholders, or JPMorgan (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court on or prior to July 1, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement on or prior to August 30, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; or

(v) the Effective Date shall not have occurred on or prior to December 20, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; *provided, however*, that such date may not be extended beyond December 31, 2013 (the "Outside Date");

then, in each case, the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If JPMorgan materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by JPMorgan, then either the County or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(q) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders, without the written consent of each affected Supporting Warrantholder) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders or JPMorgan, without the written consent of each affected Party) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(t) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County, the Majority Eligible Warrantholders, and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County, the Majority Eligible Warrantholders, and JPMorgan, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(u) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(v) If the County amends the Financing Plan in any material respect without the written approval of the Majority Eligible Warranholders and JPMorgan and does not rescind such amendment or obtain the written approval of the Majority Eligible Warranholders and JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from the Majority Eligible Warranholders or JPMorgan (which written notice must be provided by the Majority Eligible Warranholders or JPMorgan, as applicable, within seven (7) calendar days after the County provides the notice required by Section 4(d)), then either JPMorgan or the Majority Eligible Warranholders, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(w) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (w) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a “Trigger Event.”

8.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 8.2(a) shall only apply to Sections 8.1(b)-(d), (f)-(m), (p), (s), (t), and (v), and a Trigger Event under all other clauses of Section 8.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 8.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 8.1(b)-(c), (g)-(m), (p), (t), and (v), and not the other Trigger Events in Section 8.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 8.2(c) shall prejudice any Party’s rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

8.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure

of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 8.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

8.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 8.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 9.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 8.1 (other than a termination under Section 8.1(w)), any and all ballots with respect to an Acceptable Plan delivered by each Supporting Warrantholder prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 8.1(w), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 9.10) shall be fully reserved.

Section 9. Miscellaneous Terms.

9.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Supporting Warrantholder or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Sewer Warrant Insurer, any other Supporting Warrantholder, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

9.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

9.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County, JPMorgan, and all of the Supporting Warrantholders listed on Schedule 1 as of the date hereof. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without

constituting a Trigger Event except as provided in Section 8.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

9.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

9.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE “CHOICE OF LAW” PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

9.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the JPMorgan PSA and certain agreements among the Supporting Warranholders, this Agreement, together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by (x) the County, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of the County; (y) JPMorgan, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of JPMorgan; and (z) the Majority Eligible Warranholders, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of all Supporting Warranholders; *provided*, that (i) any modification of, or amendment or supplement to, this Agreement that has a disproportionate material adverse effect on any Supporting Warranholder shall require the written consent of such Supporting Warranholder so affected; (ii) any modification of, or amendment or supplement to, the consideration payable to the Supporting Warranholders (other than an increase in the consideration payable thereto in accordance with the Plan Term Sheet, which such increases shall not require the written consent of such affected

Supporting Warrantholders); (iii) any modification of, or amendment or supplement to, this Agreement that imposes additional obligations, cost or liability on a Party shall require the written consent of the Party so affected; and (iv) any modification of, or amendment or supplement to, this Section 9.6(c) or the Outside Date shall require the written consent of all Parties.

(d) Other than waivers contemplated by Section 8.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

9.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

9.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

9.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

9.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 9.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 9.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

9.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

9.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Supporting Warrantholder hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. Neither the execution nor delivery of this Agreement by the Supporting Warrantholders, nor the terms and conditions contained herein, shall provide a basis for the establishment or formation of a "group" under section 13(d)(3) of the Securities Exchange Act of 1934, as amended. Each Supporting Warrantholder disclaims the beneficial ownership of any securities of the County held by any other Supporting Warrantholder and its affiliates. It is understood and agreed that no Supporting Warrantholder has any duty of trust or confidence in any form with any other Supporting Warrantholder. In this regard, it is understood and agreed that, subject to Section 3, any Supporting Warrantholder may trade in the Sewer Warrants or other debt securities of the County without the consent of the County or JPMorgan, as the case may be, or any other Supporting Warrantholder, subject to all applicable securities laws and the terms of this Agreement; *provided, further*, that no Supporting Warrantholder shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Supporting Warrantholders shall in any way affect or negate this understanding and agreement.

9.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babbc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to JPMorgan:

JPMorgan Chase Bank, N.A.
383 Madison Avenue

New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

If to Supporting Warrantholders:

At the addresses set forth in the signature pages hereto or set forth in a Transfer Agreement

-and-

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Thomas Moers Mayer, Esq.; Elan Daniels, Esq.
Facsimile: (212) 715-8169
Email: tmayer@kramerlevin.com; edaniels@kramerlevin.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 9.13.

9.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 8.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(y), 8.3, 8.4, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.9, 9.10, 9.11, 9.12, 9.13, 9.15, 9.16, 9.17, and this Section 9.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

9.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency

between any provision of this Agreement and Section 3 of the Plan Term Sheet, Section 3 of the Plan Term Sheet shall control.

9.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

9.17 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMorgan Chase Bank, N.A.

By:
Its:

[Signature pages for each Supporting Warrantholder follow separately below]

Schedule 1

Eligible Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KA0	\$19,375,000.00
Claren Road Credit Master Fund, LTD.	472682KA0	\$1,875,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KA0	\$800,000.00
Emerald Eagle Holdings South, L.L.C.	472682KA0	\$2,437,875.00
Emerald Eagle Holdings, L.L.C.	472682KA0	\$1,237,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KA0	\$45,000.00
Monarch Capital Master Partners II LP	472682KA0	\$99,000.00
Monarch Capital Master Partners II-A LP	472682KA0	\$143,000.00
Monarch Capital Master Partners LP	472682KA0	\$93,000.00
Monarch Cayman Fund Limited	472682KA0	\$88,000.00
Monarch Debt Recovery Master Fund Ltd	472682KA0	\$1,241,000.00
Monarch Opportunities Master Fund Ltd	472682KA0	\$1,448,000.00
Oakford MF Limited	472682KA0	\$221,000.00
P Monarch Recovery LTD	472682KA0	\$122,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KB8	\$16,125,000.00
Claren Road Credit Master Fund, LTD.	472682KB8	\$425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KB8	\$200,000.00
Emerald Eagle Holdings South, L.L.C.	472682KB8	\$166,250.00
Emerald Eagle Holdings, L.L.C.	472682KB8	\$83,750.00
Monarch Alternative Solutions Master Fund Ltd	472682KB8	\$51,000.00
Monarch Capital Master Partners II LP	472682KB8	\$19,000.00
Monarch Capital Master Partners II-A LP	472682KB8	\$159,000.00
Monarch Capital Master Partners LP	472682KB8	\$70,000.00
Monarch Cayman Fund Limited	472682KB8	\$99,000.00
Monarch Debt Recovery Master Fund Ltd	472682KB8	\$1,406,000.00
Monarch Opportunities Master Fund Ltd	472682KB8	\$455,000.00
Oakford MF Limited	472682KB8	\$16,000.00
P Monarch Recovery LTD	472682KB8	\$250,000.00
Claren Road Credit Master Fund, LTD.	472682KC6	\$950,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Opportunities Master Fund, LTD.	472682KC6	\$400,000.00
Emerald Eagle Holdings South, L.L.C.	472682KC6	\$256,875.00
Emerald Eagle Holdings, L.L.C.	472682KC6	\$118,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KC6	\$751,000.00
Monarch Capital Master Partners II LP	472682KC6	\$329,000.00
Monarch Capital Master Partners II-A LP	472682KC6	\$2,237,000.00
Monarch Capital Master Partners LP	472682KC6	\$2,185,000.00
Monarch Cayman Fund Limited	472682KC6	\$1,290,000.00
Monarch Debt Recovery Master Fund Ltd	472682KC6	\$8,565,000.00
Monarch Opportunities Master Fund Ltd	472682KC6	\$3,733,000.00
Oakford MF Limited	472682KC6	\$485,000.00
P Monarch Recovery LTD	472682KC6	\$1,125,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682KC6	\$9,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KD4	\$10,100,000.00
Emerald Eagle Holdings South, L.L.C.	472682KD4	\$6,788,500.00
Emerald Eagle Holdings, L.L.C.	472682KD4	\$3,636,500.00
Monarch Alternative Solutions Master Fund Ltd	472682KD4	\$127,000.00
Monarch Capital Master Partners II LP	472682KD4	\$41,000.00
Monarch Capital Master Partners II-A LP	472682KD4	\$414,000.00
Monarch Capital Master Partners LP	472682KD4	\$613,000.00
Monarch Cayman Fund Limited	472682KD4	\$190,000.00
Monarch Debt Recovery Master Fund Ltd	472682KD4	\$2,671,000.00
Monarch Opportunities Master Fund Ltd	472682KD4	\$491,000.00
Oakford MF Limited	472682KD4	\$71,000.00
P Monarch Recovery LTD	472682KD4	\$232,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KH5	\$16,525,000.00
Claren Road Credit Master Fund, LTD.	472682KH5	\$18,675,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KH5	\$8,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682KH5	\$9,560,000.00
Emerald Eagle Holdings, L.L.C.	472682KH5	\$5,140,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LH4	\$8,925,000.00
Emerald Eagle Holdings South, L.L.C.	472682LH4	\$3,661,125.00
Emerald Eagle Holdings, L.L.C.	472682LH4	\$2,038,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LH4	\$13,275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LH4	\$168,000.00
Monarch Capital Master Partners II LP	472682LH4	\$19,000.00
Monarch Capital Master Partners II-A LP	472682LH4	\$757,000.00
Monarch Capital Master Partners LP	472682LH4	\$125,000.00
Monarch Cayman Fund Limited	472682LH4	\$666,000.00
Monarch Debt Recovery Master Fund Ltd	472682LH4	\$4,659,000.00
Monarch Opportunities Master Fund Ltd	472682LH4	\$1,376,000.00
Oakford MF Limited	472682LH4	\$93,000.00
P Monarch Recovery LTD	472682LH4	\$187,000.00
Emerald Eagle Holdings South, L.L.C.	472682LJ0	\$2,130,000.00
Emerald Eagle Holdings, L.L.C.	472682LJ0	\$1,045,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LJ0	\$275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LJ0	\$84,000.00
Monarch Capital Master Partners II LP	472682LJ0	\$23,000.00
Monarch Capital Master Partners II-A LP	472682LJ0	\$272,000.00
Monarch Capital Master Partners LP	472682LJ0	\$363,000.00
Monarch Cayman Fund Limited	472682LJ0	\$217,000.00
Monarch Debt Recovery Master Fund Ltd	472682LJ0	\$2,323,000.00
Monarch Opportunities Master Fund Ltd	472682LJ0	\$460,000.00
Oakford MF Limited	472682LJ0	\$83,000.00
P Monarch Recovery LTD	472682LJ0	\$125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LK7	\$20,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682LK7	\$3,559,375.00
Emerald Eagle Holdings, L.L.C.	472682LK7	\$1,765,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LK7	\$1,100,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LK7	\$71,000.00
Monarch Capital Master Partners II LP	472682LK7	\$28,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682LK7	\$232,000.00
Monarch Capital Master Partners LP	472682LK7	\$398,000.00
Monarch Cayman Fund Limited	472682LK7	\$144,000.00
Monarch Debt Recovery Master Fund Ltd	472682LK7	\$1,992,000.00
Monarch Opportunities Master Fund Ltd	472682LK7	\$643,000.00
Oakford MF Limited	472682LK7	\$91,000.00
P Monarch Recovery LTD	472682LK7	\$176,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LL5	\$1,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682LL5	\$3,360,125.00
Emerald Eagle Holdings, L.L.C.	472682LL5	\$1,664,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LL5	\$5,650,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LL5	\$353,000.00
Monarch Capital Master Partners II LP	472682LL5	\$168,000.00
Monarch Capital Master Partners II-A LP	472682LL5	\$1,357,000.00
Monarch Capital Master Partners LP	472682LL5	\$695,000.00
Monarch Cayman Fund Limited	472682LL5	\$2,057,000.00
Monarch Debt Recovery Master Fund Ltd	472682LL5	\$2,166,000.00
Monarch Opportunities Master Fund Ltd	472682LL5	\$1,432,000.00
Oakford MF Limited	472682LL5	\$522,000.00
P Monarch Recovery LTD	472682LL5	\$550,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LM3	\$11,200,000.00
Emerald Eagle Holdings South, L.L.C.	472682LM3	\$9,533,305.00
Emerald Eagle Holdings, L.L.C.	472682LM3	\$5,326,695.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LM3	\$12,350,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LM3	\$166,000.00
Monarch Capital Master Partners II LP	472682LM3	\$33,000.00
Monarch Capital Master Partners II-A LP	472682LM3	\$723,000.00
Monarch Capital Master Partners LP	472682LM3	\$654,000.00
Monarch Cayman Fund Limited	472682LM3	\$606,000.00
Monarch Debt Recovery Master Fund Ltd	472682LM3	\$4,686,000.00
Monarch Opportunities Master Fund Ltd	472682LM3	\$1,928,000.00
Oakford MF Limited	472682LM3	\$205,000.00
P Monarch Recovery LTD	472682LM3	\$224,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682LN1	\$35,589,820.76
Emerald Eagle Holdings South, L.L.C.	472682LT8	\$12,500,000.00
Emerald Eagle Holdings, L.L.C.	472682LT8	\$7,500,000.00
Fundamental Partners II LP	472682LT8	\$17,500,000.00
Fundamental Partners LP	472682LT8	\$17,500,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LT8	\$12,910,420.86
Emerald Eagle Holdings South, L.L.C.	472682MD2	\$253,450.00
Emerald Eagle Holdings, L.L.C.	472682MD2	\$116,550.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NA7	\$9,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682NA7	\$6,505,625.00
Emerald Eagle Holdings, L.L.C.	472682NA7	\$3,369,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NA7	\$4,175,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NA7	\$21,000.00
Monarch Capital Master Partners II-A LP	472682NA7	\$203,000.00
Monarch Cayman Fund Limited	472682NA7	\$254,000.00
Monarch Debt Recovery Master Fund Ltd	472682NA7	\$607,000.00
Monarch Opportunities Master Fund Ltd	472682NA7	\$774,000.00
Oakford MF Limited	472682NA7	\$41,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NB5	\$2,500,000.00
Claren Road Credit Master Fund, LTD.	472682NB5	\$1,200,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NB5	\$525,000.00
Emerald Eagle Holdings South, L.L.C.	472682NB5	\$10,186,625.00
Emerald Eagle Holdings, L.L.C.	472682NB5	\$5,163,375.00
Monarch Alternative Solutions Master Fund Ltd	472682NB5	\$84,000.00
Monarch Capital Master Partners II LP	472682NB5	\$286,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682NB5	\$1,022,000.00
Monarch Cayman Fund Limited	472682NB5	\$422,000.00
Monarch Debt Recovery Master Fund Ltd	472682NB5	\$1,412,000.00
Monarch Opportunities Master Fund Ltd	472682NB5	\$1,370,000.00
Oakford MF Limited	472682NB5	\$57,000.00
P Monarch Recovery LTD	472682NB5	\$172,000.00
Emerald Eagle Holdings South, L.L.C.	472682NC3	\$330,000.00
Emerald Eagle Holdings, L.L.C.	472682NC3	\$170,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NC3	\$375,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NC3	\$108,000.00
Monarch Capital Master Partners II LP	472682NC3	\$49,000.00
Monarch Capital Master Partners II-A LP	472682NC3	\$350,000.00
Monarch Capital Master Partners LP	472682NC3	\$992,000.00
Monarch Cayman Fund Limited	472682NC3	\$216,000.00
Monarch Debt Recovery Master Fund Ltd	472682NC3	\$3,040,000.00
Monarch Opportunities Master Fund Ltd	472682NC3	\$1,217,000.00
Oakford MF Limited	472682NC3	\$227,000.00
P Monarch Recovery LTD	472682NC3	\$151,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NC3	\$250,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682ND1	\$2,000,000.00
Claren Road Credit Master Fund, LTD.	472682ND1	\$8,250,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682ND1	\$3,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682ND1	\$2,129,375.00
Emerald Eagle Holdings, L.L.C.	472682ND1	\$995,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682ND1	\$2,800,000.00
Monarch Alternative Solutions Master Fund Ltd	472682ND1	\$48,000.00
Monarch Capital Master Partners II LP	472682ND1	\$241,000.00
Monarch Capital Master Partners II-A LP	472682ND1	\$153,000.00
Monarch Capital Master Partners LP	472682ND1	\$436,000.00
Monarch Cayman Fund Limited	472682ND1	\$319,000.00
Monarch Debt Recovery Master Fund Ltd	472682ND1	\$1,334,000.00
Monarch Opportunities Master Fund Ltd	472682ND1	\$3,759,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Oakford MF Limited	472682ND1	\$596,000.00
P Monarch Recovery LTD	472682ND1	\$64,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NE9	\$2,700,000.00
Emerald Eagle Holdings South, L.L.C.	472682NE9	\$4,410,625.00
Emerald Eagle Holdings, L.L.C.	472682NE9	\$2,239,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NE9	\$4,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NF6	\$35,000,000.00
Claren Road Credit Master Fund, LTD.	472682NF6	\$3,500,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NF6	\$1,500,000.00
Emerald Eagle Holdings South, L.L.C.	472682NF6	\$12,950,000.00
Emerald Eagle Holdings, L.L.C.	472682NF6	\$7,050,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NF6	\$2,500,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NF6	\$10,000,000.00
Claren Road Credit Master Fund, LTD.	472682NG4	\$14,425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NG4	\$6,200,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NG4	\$7,325,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NG4	\$336,000.00
Monarch Capital Master Partners II LP	472682NG4	\$65,000.00
Monarch Capital Master Partners II-A LP	472682NG4	\$1,282,000.00
Monarch Cayman Fund Limited	472682NG4	\$791,000.00
Monarch Debt Recovery Master Fund Ltd	472682NG4	\$3,797,000.00
Monarch Opportunities Master Fund Ltd	472682NG4	\$3,455,000.00
Oakford MF Limited	472682NG4	\$197,000.00
P Monarch Recovery LTD	472682NG4	\$577,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NH2	\$39,850,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Master Fund, LTD.	472682NH2	\$6,925,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NH2	\$2,975,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NH2	\$15,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682NJ8	\$34,250.00
Emerald Eagle Holdings, L.L.C.	472682NJ8	\$15,750.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NJ8	\$225,000.00
Monarch Capital Master Partners II LP	472682NJ8	\$2,000.00
Monarch Debt Recovery Master Fund Ltd	472682NJ8	\$6,000.00
Monarch Opportunities Master Fund Ltd	472682NJ8	\$62,000.00
P Monarch Recovery LTD	472682NJ8	\$30,000.00
Emerald Eagle Holdings South, L.L.C.	472682NK5	\$68,500.00
Emerald Eagle Holdings, L.L.C.	472682NK5	\$31,500.00
Monarch Capital Master Partners II LP	472682NK5	\$1,000.00
Monarch Debt Recovery Master Fund Ltd	472682NK5	\$2,000.00
Monarch Opportunities Master Fund Ltd	472682NK5	\$15,000.00
P Monarch Recovery LTD	472682NK5	\$7,000.00
Red Mountain Holdings LLC	472682PJ6	\$4,918,002.82
Red Mountain Holdings LLC	472682PJ6	\$1,448,295.26
Red Mountain Holdings LLC	472682PJ6	\$674,970.72
Red Mountain Holdings LLC	472682PJ6	\$5,118,831.65
Red Mountain Holdings LLC	472682PJ6	\$29,015,611.89
Red Mountain Holdings LLC	472682PJ6	\$16,501,131.27
Red Mountain Holdings LLC	472682PJ6	\$1,940,704.55
Red Mountain Holdings LLC	472682PJ6	\$2,236,623.73
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PL1	\$30,000,000.00
Monarch Alternative Solutions Master Fund Ltd	472682PL1	\$1,534,000.00
Monarch Capital Master Partners II-A LP	472682PL1	\$4,886,000.00
Monarch Debt Recovery Master Fund Ltd	472682PL1	\$15,218,947.00
Monarch Opportunities Master Fund Ltd	472682PL1	\$9,350,000.00
Monarch Research Alpha Master Fund Ltd	472682PL1	\$1,368,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
P Monarch Recovery LTD	472682PL1	\$1,298,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682PL1	\$30,000,000.60
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PM9	\$31,770,000.00

Excess Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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PLAN SUPPORT AGREEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT

This PLAN SUPPORT AGREEMENT (as it may be amended and supplemented from time to time, this "Agreement"), dated as of June 27, 2013, is made and entered into by and among Jefferson County, Alabama (the "County"), on the one hand, and National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation ("National"), on the other hand (each a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, pursuant to that certain *Resolution and Order*, including any documents annexed thereto, adopted by the Jefferson County Commission (the "County Commission") at a meeting held on March 6, 2003 (the "GO Resolution 2003-A"), the County authorized and thereupon issued the General Obligation Capital Improvement and Refunding Warrants, Series 2003-A (the "Series 2003-A GO Warrants");

WHEREAS, pursuant to that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004 (the "GO Resolution 2004-A") (the GO Resolution 2003-A and the GO Resolution 2004-A are sometimes together referred to as the "GO Resolutions"), the County authorized and thereupon issued the General Obligation Warrants, Series 2004-A (the "Series 2004-A GO Warrants" and, together with the Series 2003-A GO Warrants, the "Warrants");

WHEREAS, in connection with the issuance of the Series 2003-A GO Warrants and the Series 2004-A GO Warrants, National issued that certain *Financial Guaranty Insurance Policy* number 40587 on or around March 19, 2003; and that certain *Financial Guaranty Insurance Policy* number 44671 on or around August 10, 2004 (together, the "GO Insurance Policies");

WHEREAS, on November 9, 2011 (the "Petition Date"), the County filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy 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");

WHEREAS, during the Bankruptcy Case the County has failed to timely pay regularly scheduled interest and principal on the Warrants;

WHEREAS, as used herein, any defaults or breaches by the County of either of the GO Resolutions, including, without limitation, any failure of the County to pay amounts due and owing on any of the Warrants when due are referred to as the "GO Events of Default";

WHEREAS, during the Bankruptcy Case National has honored its obligations under the GO Insurance Policies, for which it has not received reimbursement from the County;

WHEREAS, as used herein, any and all claims on account of fees, expenses, or costs incurred by National prior to the effectiveness of the Plan (the “Effective Date”) that arise from or are related to the Bankruptcy Case, the Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses, are collectively referred to as the “National Fees and Expenses Claim”;

WHEREAS, as used herein, any and all claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Warrants during the period from the Petition Date through the Effective Date are collectively referred to as the “National Reimbursement Claim”;

WHEREAS, as used herein, any and all claims arising from or in connection with the GO Insurance Policies, as well as any and all claims of National arising from or in connection with the GO Resolutions, including all claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by National as a result of National’s satisfaction of any claim under any of the GO Insurance Policies, including, without limitation, the National Fees and Expenses Claim and the National Reimbursement Claim, and including any and all related reinsurance claims are collectively referred to as the “GO Policy Claims”;

WHEREAS, the County will be filing a chapter 9 plan of adjustment (the “Plan”) in the Bankruptcy Case;

WHEREAS, National has informally advised the County that absent this Agreement National intends to oppose confirmation of any plan of adjustment that does not pay in full in cash the GO Policy Claims and otherwise leave unimpaired the Warrants;

WHEREAS, the Parties and their representatives have engaged in good faith, arms’ length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein, have reached agreement concerning, among other matters, the potential treatment of claims arising from or in connection with the Warrants and the GO Policy Claims;

NOW, THEREFORE, in consideration of the foregoing and the premises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

Section 1. Agreed Terms of the National Acceptable Plan.

The County shall propose and pursue confirmation of a National Acceptable Plan (as defined below). Subject to the terms of this Agreement, National agrees that, so long as it is the legal or beneficial owner of any GO Policy Claims, and has been properly solicited pursuant to

Bankruptcy Code sections 1125 and 1126, it shall timely vote or cause to be voted all its GO Policy Claims to accept a chapter 9 plan that includes the following provisions, and no provisions inconsistent therewith (the “National Acceptable Plan”):

(a) The treatment of the Warrants and GO Policy Claims shall constitute a compromise and settlement under the National Acceptable Plan under Bankruptcy Rule 9019 of various disputed matters between National and the County and in full, final, complete, and mutual settlement, satisfaction, release, and exchange thereof.

(b) A single class will be separately classified comprised of “Series 2003-A GO Claims,” which will be defined to include any and all claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by National as a result of National’s satisfaction of any claim under any of the GO Insurance Policies.

(c) A single class will be separately classified comprised of “Series 2004-A GO Claims,” which will be defined to include any and all claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by National as a result of National’s satisfaction of any claim under any of the GO Insurance Policies.

(d) As part of the settlement between National and the County, (i) the holders of the Series 2003-A GO Claims and the Series 2004-A GO Claims will retain their legal, equitable, and contractual rights under the GO Resolutions and pursuant to their Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such GO Events of Default; and (ii) based on such treatment and National’s payment during the Bankruptcy Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants and on the Series 2004-A GO Warrants, the Series 2003-A GO Claims and Series 2004-A GO Claims shall be deemed unimpaired under the National Acceptable Plan and accordingly the holders of such claims will not be solicited.

(e) The GO Insurance Policies and GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

(f) A single class will be separately classified comprised of the GO Policy Claims and will be satisfied as follows:

(i) Reimbursement of Prepetition Amounts.

The County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014.

(ii) Reimbursement of Principal Payments.

- a. The County will pay the \$2,880,000.00 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014.
- b. The County will pay the \$2,965,000.00 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015.

(iii) Reimbursement of the National Fees and Expenses Claim.

In full, final, and complete settlement, satisfaction, release, and exchange of the National Fees and Expenses Claim, the County will pay National \$1,500,000.00 in cash on the Effective Date.

(iv) Reimbursement of the National Reimbursement Claim.

In furtherance of the compromises and settlements set forth in this Agreement, in full, final, and complete settlement, satisfaction, release, and exchange of the National Reimbursement Claim, including, without limitation, National's contention that the National Reimbursement Claim constitutes a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the following amounts (collectively, the "Reimbursement Payment") on the following dates:

- April 1, 2025: \$2,854,321.62
- April 1, 2026: \$2,854,321.62
- April 1, 2027: \$2,854,321.63

At any time on or after Effective Date, the County shall have the option to prepay the Reimbursement Payment in whole or in part without premium or penalty. This option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the Reimbursement Payment that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date.

(v) Post-Effective Date Interest.

The County's obligations to National under the National Acceptable Plan (other than with respect to payment of the Reimbursement Payment, which obligation will bear no interest) will

bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

Section 2. Additional Agreements Related to the National Acceptable Plan.

In connection with the County's proposal of the National Acceptable Plan, the Parties agree to the following:

(i) The County shall include in the National Acceptable Plan and, as appropriate, in the disclosure statement accompanying the National Acceptable Plan, and the County will take all reasonable actions and cooperate in good faith to ensure that the order confirming the National Acceptable Plan includes as conclusions of law, the following provisions (as modified, *mutatis mutandis*, to utilize defined terms that also encompass other categories of claims to which the following language may equally apply), all of which sets forth and is wholly consistent with applicable law;

(ii) The indebtedness evidenced and ordered to be paid on account of the Warrants and, the GO Insurance Policies will constitute a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the Warrants, and to reimburse National on account of the GO Insurance Policies, as they become due.

(iii) Revenues legally available to the County for payment of debt service on the Warrants, and to reimburse National on account of the GO Insurance Policies, includes ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iv) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(v) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(vi) The Warrants, and the obligations to reimburse National on account of the GO Insurance Policies, constitute a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with Warrants, and to reimburse National on account of the GO Insurance Policies, in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vii) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the Warrants and the GO Insurance Policies are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

Section 3. Additional Commitments of the Parties Under this Agreement.

3.1. Support of the National Acceptable Plan.

Subject to the terms of this Agreement, so long as this Agreement has not been terminated in accordance with its terms, National shall:

(a) not directly or indirectly solicit, support, prosecute, encourage, or respond in the affirmative to any other proposal or offer of refinancing, reorganization, or restructuring of the Warrants or the GO Policy Claims that could reasonably be expected to hinder, block, prevent, delay, or impede the formulation, proposal, or confirmation of the National Acceptable Plan;

(b) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the restructuring proposal contemplated by this Agreement and the National Acceptable Plan;

(c) not seek or support appointment of a trustee for the County or dismissal of the Bankruptcy Case;

(d) recommend that holders of the Warrants not oppose the National Acceptable Plan; and

(e) not take any other action inconsistent with the restructuring proposal contemplated by this Agreement and the National Acceptable Plan.

3.2. Transfer of Claims.

National hereby agrees that it shall not sell, transfer, loan, issue, pledge, hypothecate, assign, or otherwise dispose of (each such action, a "Transfer"), directly or indirectly, all or any of its GO Policy Claims (or any voting rights associated therewith), as applicable, unless the

transferee thereof agrees in writing to assume and be bound by this Agreement and delivers such writing to each of the Parties within five (5) business days of the relevant Transfer (each such transferee becoming, upon a Transfer, a Party hereunder). Any Transfer of any claim against the County that does not comply with the procedure set forth in the first sentence of this Section 3.2 shall be deemed void *ab initio*.

Section 4. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legal, valid, and binding obligation of such Party, and the actions to be taken by each Party are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery and performance by such Party of this Agreement does not and shall not: (i) violate the provision of law, rule, or regulations applicable to such Party; (ii) violate its certificate of incorporation, bylaws, or other organizational documents; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 and except for the County Commission, the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. Any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the execution and delivery of this Agreement.

Section 5. Reservation of Rights.

This Agreement and the National Acceptable Plan are part of a proposed settlement of disputes among the Parties relating to the Warrants and the GO Policy Claims. Except as expressly provided in this Agreement, nothing herein is intended to, does, or shall be deemed in any manner to waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies, and interests. Without limitation, National reserves all of its rights and remedies (i) in the event that the County files a plan of adjustment that is not the National Acceptable Plan or is not otherwise materially consistent with the plan support agreements entered into on or before June 27, 2013, by the County with other creditors; (ii) if the County withdraws the National Acceptable Plan or modifies the National Acceptable Plan so that it is no longer the National Acceptable Plan; or (iii) if the County modifies the National Acceptable Plan to contain provisions or impose obligations on the County that materially and adversely affect

the County's ability to meet its obligations under the National Acceptable Plan to National or in respect of the Warrants. Subject to the provisions of Federal Rule of Bankruptcy Procedure 3018(a) ("Rule 3018(a)"), National may revoke, modify, or withdraw its vote to accept the National Acceptable Plan upon the occurrence of a Termination Event under Section 7.1 hereof, and the County agrees (i) that any request to revoke, modify, or withdraw a vote on such grounds constitutes "cause" for purposes of Rule 3018(a) and (ii) not to oppose any motion or request that may be filed by National under Rule 3018(a) following the occurrence of a Termination Event under Section 7.1 hereof. Nothing herein shall be deemed an admission of any kind. Nothing in this Agreement shall constitute a modification or amendment of the GO Resolutions, the Warrants, or the GO Insurance Policies.

Section 6. Acknowledgments.

This Agreement is the product of good faith, arm's length negotiations among the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

Section 7. Termination.

7.1. General Termination Events.

The term "Termination Event," wherever used in this Agreement, means the occurrence of any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

- (i) the Bankruptcy Case shall have been dismissed;
- (ii) any court shall enter a final, non-appealable judgment or order declaring this Agreement to be unenforceable;
- (iii) the County (a) determines to or does file a plan that is not the National Acceptable Plan, (b) withdraws the National Acceptable Plan, or (c) modifies the National Acceptable Plan such that it is no longer a National Acceptable Plan (none of which, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, will constitute a breach of this Agreement) and, in the case of clauses (a) and (c) above, National delivers a Notice of Termination to the County in accordance with Section 7.1 hereof, informing the County of the termination of this Agreement;
- (iv) the Bankruptcy Court denies confirmation of the National Acceptable Plan;

- (v) the Effective Date does not occur on or before December 31, 2013; or
- (vi) any Party has breached any material provision of this Agreement and any such breach remains uncured, or not waived in writing by each of the other Parties, for a period of ten (10) calendar days after any non-breaching Party has delivered a Notice of Termination with respect to such breach (specifically referencing this Section 7.1(vi)) to the breaching Party in accordance with Section 7.1 hereof.

7.2. Consent to Termination.

This Agreement shall be terminated immediately upon written agreement of all the Parties to terminate this Agreement; *provided, however*, that such termination of this Agreement shall not restrict the Parties' rights and remedies with respect to any prior breach of this Agreement by any Party.

7.3. Effect of Termination.

If this Agreement is terminated, then this Agreement will forthwith become null and void as to all Parties, and there will be no continuing liability or obligation on the part of any Party hereunder as of the date of such termination, except as otherwise provided in Section 7.2.

Section 8. Effectiveness of this Agreement.

This Agreement shall become effective once duly executed by each Party. Notwithstanding the foregoing, the provisions of the National Acceptable Plan shall become effective only on the Effective Date.

Section 9. Miscellaneous Terms.

9.1. Binding Obligation; Savings Clause.

Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective successors, assigns, and representatives. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement by the Parties to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable laws, and to the extent any provision shall be construed as constituting such a violation, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties.

9.2. Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

9.3. Governing Law; Venue and Service.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties hereby irrevocably submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of the foregoing sentence and irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.10 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

9.4. Complete Agreement; Interpretation; Modification and Waiver.

(a) This Agreement constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto; *provided, however*, that the GO Resolutions, the Warrants, and the GO Insurance Policies shall remain in full force and effect in accordance with their terms (but subject to all limitations now existing under the Bankruptcy Code or otherwise as a result of the commencement of the Bankruptcy Case) until the Effective Date.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may only be modified, altered, amended, or supplemented by an agreement in writing signed by each Party. No waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless the same is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

9.5. Specific Performance.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in addition to any other remedies, each Party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without regard to anything to the contrary contained in applicable law. Each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy. Each Party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached.

9.6. Execution of this Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

9.7. Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

9.8. Settlement Discussions.

This Agreement and the restructuring proposal contemplated by the National Acceptable Plan are part of a proposed settlement of disputes among the Parties relating to the Warrants and the GO Policy Claims. Nothing herein shall be deemed an admission of any kind. If the transactions contemplated herein are not consummated, or following the occurrence of a Termination Event as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

9.9. Legal and Other Fees.

All of the Parties shall bear their own respective costs and expenses, including legal and other professional fees, associated with the negotiation and implementation of this Agreement.

9.10. Notices.

All notices hereunder (including, without limitation, any Notice of Termination), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to National:

National Public Finance Guarantee Corporation, for itself and as administrator for
MBIA Insurance Corp.

113 King Street

Armonk, New York 105004

Attn: Daniel E. McManus, Jr., Esq., General Counsel

Facsimile: (914) 765 – 3665

E-mail: daniel.mcmanus@nationalpfg.com

Jones Day

1420 Peachtree Street, N.E.

Suite 800

Atlanta, Georgia 30309

Attn: Amy Edgy Ferber, Esq.

Facsimile: (404) 581-8330

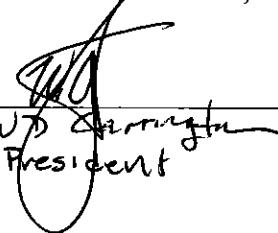
E-mail: aeferber@jonesday.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By: 
Its: President

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION, FOR ITSELF AND AS ADMINISTRATOR FOR MBIA INSURANCE CORPORATION

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION, FOR ITSELF AND AS ADMINISTRATOR FOR MBIA INSURANCE CORPORATION



By: ADAM BERGONZI
Its: CHIEF RISK OFFICER

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**"), dated as of June 6, 2013, is made and entered into by and among (i) Jefferson County, Alabama (the "**County**"); (ii) each holder of Sewer Warrants signatory hereto (as further defined below, including those holders that become party hereto by signing a Transfer Agreement (as defined below), the "**Supporting Warrantholders**"); and (iii) JPMorgan Chase Bank, N.A. ("**JPMorgan**"). Each of the Supporting Warrantholders, JPMorgan, and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein and, in the case of JPMorgan and the County, in the JPMorgan PSA (as defined below), each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "**Restructuring**") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County and JPMorgan are contemporaneously entering into a separate plan support agreement (the “JPMorgan PSA”) and JPMorgan is a party to this Agreement to give effect to the agreement between JPMorgan and the Supporting Warranholders set forth in Section 5 hereof;

WHEREAS, the County is contemporaneously entering into a plan support agreement (the “Sewer Warrant Insurer PSA”) with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“Assured”), Financial Guaranty Insurance Company (“FGIC”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“Syncora”), each of which is referred to as a “Sewer Warrant Insurer” and collectively with the Supporting Warranholders and JPMorgan are the “Plan Support Parties”;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 8.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the Ad Hoc Professionals and counsel to JPMorgan draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Ad Hoc Professionals and counsel to JPMorgan will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), the Backstop/Put Agreement, and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the

expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Supporting Warrantholders shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, vote all Sewer Warrants it holds as of the date hereof or may hereafter acquire (the “Covered Sewer Warrants,” including those Sewer Warrants held as of the date hereof and set forth opposite its name on Schedule 1 (the “Eligible Sewer Warrants”)) to accept an Acceptable Plan (through submission of a ballot directly to the County’s balloting agent to the extent so permitted by the solicitation procedures order or to its prime broker or nominee holder, as applicable, in either case with a copy to the County and JPMorgan) on or before the day that is twenty-one (21) calendar days prior to the deadline set by the Bankruptcy Court for voting on an Acceptable Plan (as confirmed in writing by the County once determined, the “Ballot Submission Deadline”) and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 8.4; (iii) make the election described in Section 3[b] of the Plan Term Sheet with respect to all Covered Sewer Warrants as of the Ballot Submission Deadline contemporaneously with the vote to accept an Acceptable Plan (except to the extent provided in Section 3(e)); and (iv) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties of all claims arising under or in connection with the Covered Sewer Warrants (including providing releases as contemplated by the Plan Term Sheet) (except to the extent provided in Section 3(e)). For the avoidance of doubt, such releases shall not release any rights of the Supporting Warrantholders (x) vis-à-vis each other to the extent not released in or reserved in any agreement among the Supporting Warrantholders, or (y) under an Acceptable Plan. Also for the avoidance of doubt, Covered Sewer Warrants shall not include any Sewer Warrants that are acquired after the date hereof in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders for which such Supporting Warrantholder does not have the power to bind (“Fiduciary Sewer Warrants”).

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) Each Supporting Warrantholder confirms its intention to purchase a portion of the offering of New Sewer Warrants to the extent necessary and as contemplated in the Plan Term Sheet, subject to execution of a Backstop/Put Agreement containing terms and conditions acceptable to such Supporting Warrantholder and the County (including agreement concerning the terms of the indenture for the New Sewer Warrants), with commitments to be allocated among the Supporting Warrantholders on a pro rata basis based upon the Supporting

Warrantholders' holdings of Eligible Sewer Warrants or on other terms acceptable to each Supporting Warrantholder and the County.

(h) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Supporting Warrantholders or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(i) At any time, a Supporting Warrantholder shall be required to comply with the terms of this Agreement with respect to Covered Sewer Warrants it holds at such time, and not with respect to Sewer Warrants that it has transferred in accordance with Section 3.

(j) Whenever this Agreement provides that any Party has the "right to approve" a document or that a document must be "acceptable" or "satisfactory" to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Litigation" shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC rehabilitation proceeding, except for any actions taken in the FGIC rehabilitation proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC rehabilitation proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of any Party to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction), including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of any Party) expose any such Party to liability (contingent or otherwise) or unreimbursed material expense.

(b) The County and each Supporting Warrantholder agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) Each Supporting Warrantholder shall, with respect to all Sewer Warrants held by it, shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 8.

(d) So long as none of this Agreement, the JPMorgan PSA, or the Sewer Warrant Insurer PSA has been terminated, each Supporting Warrantholder shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any Litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring such Supporting Warrantholder’s Covered Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of such Supporting Warrantholder to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and the Majority Eligible Warrantholders (as defined below) (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the

Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Section 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 8 of the Agreement, other than under Section 8(w) of this Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Ownership; Transfers of Sewer Warrants.

(a) Except as otherwise provided, permitted, or exempted in this Section 3, each Supporting Warrantholder, severally, and not jointly, represents, warrants, and covenants that:

(i) such Supporting Warrantholder is the owner of, or advises the accounts that own, the Eligible Sewer Warrants set forth opposite its name on Schedule 1 hereto, and has and shall maintain the power and authority to bind all the legal and beneficial owner(s) of such Eligible Sewer Warrants to the terms of this Agreement;

(ii) such Supporting Warrantholder (a) has and shall maintain full power and authority to execute and deliver its signature page(s) to this Agreement and, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants to accept an Acceptable Plan or (b) has received an irrevocable direction from the party having full power and authority, subject to Bankruptcy Code sections 1125 and 1126, to vote its Eligible Sewer Warrants and execute and deliver its signature page(s) to this Agreement;

(iii) none of the Eligible Sewer Warrants constitute Fiduciary Sewer Warrants;

(iv) other than as permitted under this Agreement, its Eligible Sewer Warrants are and shall continue to be free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind, that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed; and

(v) such Supporting Warrantholder has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Eligible Sewer Warrants held by such Supporting Warrantholder as of the date hereof that are inconsistent with, or in violation of, the representations and warranties of such Supporting Warrantholder herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Supporting Warrantholder's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Supporting Warrantholder individually covenants that, from the date hereof until the termination of this Agreement, it will not sell, pledge, hypothecate, or otherwise

transfer, assign or dispose of any of its Eligible Sewer Warrants, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”), except (x) to another Supporting Warrantholder (and any such Eligible Sewer Warrants so transferred shall remain Eligible Sewer Warrants) or (y) to a person or entity (a “Transferee”) that as a condition to such Transfer executes and delivers to the County at least three (3) Business Days prior to the settlement of such Transfer an agreement in writing substantially in the form of Exhibit B-1 hereto (a “Transfer Agreement”), pursuant to which such Transferee agrees (i) to become a party to and be bound by all terms of this Agreement applicable to a Supporting Warrantholder as if such Transferee were an original signatory hereto; (ii) to become a party to and be bound by the Backstop/Put Agreement, to the extent such transferring Supporting Warrantholder was so bound in respect of the Eligible Sewer Warrants that are the subject of the Transfer; and (iii) to retain the same counsel and financial advisor that, at the time of the Transfer, are retained by Supporting Warrantholders holding at least a majority of the Eligible Sewer Warrants (the “Majority Eligible Warrantholders”) through appropriate retention documentation with respect to matters concerning the Sewer Warrants or to otherwise abide by the decisions of the Majority Eligible Warrantholders. “Business Day” means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Federal Rule of Bankruptcy Procedure 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order. For the avoidance of doubt, a Supporting Warrantholder’s rights and obligations under this Agreement and the Backstop/Put Agreement (if any) may not be transferred separately and must be transferred together.

(c) Notwithstanding Section 3(b), if a Transferee is a Qualified Marketmaker, then the Supporting Warrantholder making the Transfer shall cause such Transferee to execute and deliver to the County at least three (3) Business Days prior to the settlement of such Transfer a Marketmaker Transfer Agreement substantially in the form of Exhibit B-2 hereto and such Qualified Marketmaker shall cause any subsequent Transferee to execute a Transfer Agreement in the form of Exhibit B-1, to the extent such subsequent Transferee is not a Qualified Marketmaker or a Transfer Agreement substantially in the form of Exhibit B-2 to the extent such Transferee is a Qualified Marketmaker. “Qualified Marketmaker” means an entity that (x) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers and sell to customers Sewer Warrants issued by the County or other claims against the County, or enter with customers into positions in Sewer Warrants issued by the County or other claims against the County, in either case in its capacity as a dealer or market maker in Sewer Warrants or other claims against the County; and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers.

(d) This Agreement shall not be construed to preclude any Supporting Warrantholder from acquiring additional Sewer Warrants; *provided, however*, that any additional Sewer Warrants acquired by such Supporting Warrantholder (i) shall be Covered Sewer Warrants but (ii) shall not be Eligible Sewer Warrants unless such warrants were, initially, Eligible Sewer Warrants. For the avoidance of doubt, a Transfer of Covered Sewer Warrants that are not Eligible Sewer Warrants (“Excess Sewer Warrants”) shall not be subject to the transfer restrictions contained in this Section 3 other than during the Excess Warrant Restriction Period (as defined below); *provided, further, however*, that for so long as a Supporting

Warrantholder owns Covered Sewer Warrants, it must otherwise comply with all obligations under this Agreement with respect to such Covered Sewer Warrants.

(e) Notwithstanding anything to the contrary herein, to the extent that Excess Sewer Warrants consist of Sewer Warrants in Series 2003-B-8 with a CUSIP# 472682MP5, 472682MQ3, 472682MR1, or 472682MS9 (“Exempt Excess Sewer Warrants”), the relevant Supporting Warrantholder, solely with respect to such Exempt Excess Sewer Warrants, shall not be required (i) to elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement or (ii) to otherwise comply with the restrictions on transfer in Section 3; *provided, however*, that to the extent that a Supporting Warrantholder who is an original signatory to this Agreement holds any Exempt Excess Sewer Warrants on the Ballot Submission Deadline, such Party shall elect to waive claims under any wrap insurance policy for such Excess Sewer Warrants in accordance with the terms of this Agreement.

(f) Notwithstanding Section 3(d), for the period beginning on the date on which the Disclosure Statement is approved by the Bankruptcy Court and continuing through and including the date(s) on which a confirmation hearing for an Acceptable Plan is held (the “Excess Warrant Restriction Period”), the Transfer of any Excess Sewer Warrants held by a Supporting Warrantholder or any option, right to acquire, or voting, participation, or other interest therein to any person or entity may be completed only in accordance with Section 3(b) and (c), as though such Excess Sewer Warrants were Eligible Sewer Warrants. On the first date of the Excess Warrant Restriction Period, each Supporting Warrantholder shall provide an update of the relevant portion of Schedule 1 showing such Party’s holdings of Covered Sewer Warrants (including both Eligible Sewer Warrants and Excess Sewer Warrants) to the County and JPMorgan. For the avoidance of doubt, other than during the Excess Warrant Restriction Period, any transfer of Excess Sewer Warrants may be completed without complying with the requirements for Transfers of Eligible Sewer Warrants in Section 3(b) and (c).

(g) No Supporting Warrantholder will create or use any subsidiary or affiliate to evade or attempt to evade the transfer restrictions set forth in this Section 3 or any other obligations set forth in this Agreement. Any attempt by any Supporting Warrantholder to transfer any Sewer Warrants or related rights or interests therein other than in compliance with this Section 3 shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Upon completion of a Transfer in compliance with this Section 3, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of such transferred Covered Sewer Warrants (and relinquished rights and released obligations).

Section 4. Additional County Covenants and Determinations.

(a) The County shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Covered Sewer Warrants to the extent and in the amount that distributions made generally available from the County to holders of Other Warrants (including in respect of the Covered Sewer Warrants) are increased.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Supporting Warrantholders and the other Plan Support Parties) shall be approximately \$1.835 billion, plus the distribution of the Reinstated Interest Payments and Reinstated Principal Payments pursuant to an Acceptable Plan as set forth in the Plan Term Sheet, plus the premium payable under the Backstop/Put Agreement.

(c) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan (in the case of the Sewer Warrant Insurer PSA) of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA or to the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Supporting Warrantholders and to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Supporting Warrantholders and to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County represents that the Sewer Warrant Insurer PSA and the JPMorgan PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit C** and **Exhibit D**.

Section 5. Agreements Between the Supporting Warrantholders and JPMorgan.

As a material component of the Supporting Warrantholders' agreement to the transactions described in this Agreement and the Restructuring:

(a) In order to facilitate the various settlements to be implemented pursuant to an Acceptable Plan and the occurrence of the Effective Date, each Supporting Warrantholder hereby agrees (i) subject to Bankruptcy Code sections 1125 and 1126, to elect by the Ballot Submission Deadline the treatment under an Acceptable Plan set forth in Section 3[b] of the Plan Term Sheet in respect of all of its Covered Sewer Warrants (except to the extent provided in Section 3(e)); (ii) conditioned upon and effective as of the Effective Date, (A) to release each

Sewer Warrant Insurer from any claims it may have arising out of or relating to any insurance policies relating to its Covered Sewer Warrants (except to the extent provided in Section 3(e)), and (B) to waive any claims it may have for interest accruing or payable under its Covered Sewer Warrants at any rate other than the rate applicable to such Covered Sewer Warrants prior to the occurrence of an event of default under the Indenture or any Standby Agreement, as applicable; (iii) to comply with Section 2 above; and (iv) to comply with the restrictions on the transfer of its Sewer Warrants set forth in Section 3 above.

(b) Based upon the Supporting Warrantholders' agreements set forth in Section 5(a) above, JPMorgan will on or before the Effective Date, provide irrevocable directions to the County and the Trustee (or "paying agent" under an Acceptable Plan) to reallocate and distribute to each Supporting Warrantholder, instead of JPMorgan (and any of its affiliates holding Sewer Warrants), a portion of the cash recovery on the Sewer Warrants held by JPMorgan (and any such affiliates) under an Acceptable Plan, equal to (x) the principal amount of Eligible Sewer Warrants held by such holder (subject to Section 5(c) below) multiplied by (y) 3.46%; *provided, however*, that any increase in distributions made generally available from the County to holders of Other Warrants (including in respect of the Eligible Sewer Warrants) in excess of the amount set forth in part [b] of Section 3 of the Plan Term Sheet shall increase the amount payable in part [b] of Section 3 of the Plan Term Sheet in respect of the Eligible Sewer Warrants, and shall correspondingly reduce the amount of the JPMorgan reallocation to the benefited Supporting Warrantholders in respect of their Eligible Sewer Warrants pursuant to this Section 5(b); *provided, further, however*, that the aggregate JPMorgan reallocation to Supporting Warrantholders shall not be reduced below \$4 million.

(c) Each Supporting Warrantholder shall certify in writing to the County and JPMorgan no later than the third Business Day after the record date for distributions pursuant to the Acceptable Plan the amount of Eligible Sewer Warrants held by such Supporting Warrantholder as of such record date, *provided that*, for purposes of the reallocation pursuant to Section 5(b) above, the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 on the date of execution of this Agreement, and the aggregate amount of such reallocation shall not exceed the product of such total set forth on Schedule 1 multiplied by the percentage referenced in Section 5(b) above.

(d) Each of the Supporting Warrantholders' agreement to provide the releases and waivers as set forth in Section 5(a)(ii)(A) and (B) shall be conditioned on the continued effectiveness of this Agreement and the JPMorgan PSA, and compliance by JPMorgan with all of its obligations under or contemplated by this Agreement.

(e) JPMorgan's obligation to reallocate to the Supporting Warrantholders pursuant to Section 5(b) above a portion of JPMorgan's cash distributions under an Acceptable Plan on account of the Sewer Warrants held by JPMorgan (and any of its affiliates holding Sewer Warrants) shall be subject to Section 5(c) above and conditioned upon confirmation of an Acceptable Plan and the occurrence of the Effective Date, approval by the Bankruptcy Court of such reallocation by JPMorgan to the Supporting Warrantholders pursuant to Section 5(b) above, receipt by JPMorgan (and any such affiliates) of an indefeasible cash recovery on the Effective Date of not less than the amount set forth in the JPMorgan PSA, plus all Reinstated Interest Payments and any Reinstated Principal Payments, which amount shall be after giving effect to all

other concessions by JPMorgan pursuant to or in furtherance of an Acceptable Plan and such reallocation pursuant to Section 5(b) above, the continued effectiveness of this Agreement, the Backstop/Put Agreement and the JPMorgan PSA, and compliance by all Supporting Warrantholders with all of their obligations under or contemplated by this Agreement and the Backstop/Put Agreement.

Section 6. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party (pursuant to Section 5 hereof, in the case of JPMorgan), including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the Supporting Warrantholders) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 7. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this

Agreement has not been terminated in accordance with Section 8, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 8.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 8.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Majority Eligible Warrantholders (and, in relation to the matters addressed in Section 5 hereof, JPMorgan);

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the deadline set forth in Section 8.1(o)(v) of this Agreement;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

(b) In connection with the agreement of the Supporting Warrantholders to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 8, each of the Supporting Warrantholders shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(b); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 8.1(o) of this Agreement.

Section 8. Termination & Default.

8.1 Events of Termination & Default.

(a) The County, JPMorgan, and the Majority Eligible Warrantholders may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a "Market Shift"), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Majority Eligible Warrantholders, JPMorgan, or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County's control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice

have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then the Majority Eligible Warranholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(e) If the Supreme Court of the State of New York, County of New York sitting in *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012, fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then the Majority Eligible Warranholders, JPMorgan, or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the "Standstill Date"), then the Majority Eligible Warranholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) the Majority Eligible Warranholders, JPMorgan, or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then the Majority Eligible Warranholders, JPMorgan, or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Supporting Warrantholder materially breaches this Agreement (a “Breaching Warrantholder”) and such breach is not remedied, either by the Breaching Warrantholder or by one or more Supporting Warrantholders who have purchased the Covered Sewer Warrants held by the Breaching Warrantholder (or an equivalent amount of replacement Sewer Warrants of like series, type, and insurer, as applicable, which replacement warrants shall thereafter be treated as Covered Sewer Warrants or Eligible Sewer Warrants to the same extent as the replaced warrants were Covered Sewer Warrants or Eligible Sewer Warrants), within fifteen (15) calendar days of receiving written notice thereof from JPMorgan or the County to each Party or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by a Supporting Warrantholder, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by the County, then either JPMorgan or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan (but only if such modification adversely affects a right, obligation, or interest of such Party), and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of the Majority Eligible Warrantholders or JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the Supporting Warrantholders or JPMorgan, as applicable, under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders, but only if such action adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If JPMorgan or any of the Supporting Warrantholders files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then

the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants, the Supporting Warrantholders, or JPMorgan (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then either JPMorgan or the Majority Eligible Warrantholders may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court on or prior to July 1, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement on or prior to August 30, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion;

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants on or prior to November 25, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; or

(v) the Effective Date shall not have occurred on or prior to December 20, 2013, unless such date is extended by the Majority Eligible Warrantholders in their sole and absolute discretion; *provided, however*, that such date may not be extended beyond December 31, 2013 (the "Outside Date");

then, in each case, the Majority Eligible Warrantholders may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If JPMorgan materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 8.1 in the case of any other specified material breach by JPMorgan, then either the County or the Majority Eligible Warrantholders, but only if such breach adversely affects a right, obligation, or interest of such Party, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(q) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders, without the written consent of each affected Supporting Warrantholder) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Supporting Warrantholders or JPMorgan, without the written consent of each affected Party) or is no longer in full force and effect, then any of the County, JPMorgan, or the Majority Eligible Warrantholders (or such affected Supporting Warrantholder(s), in the event of such an amendment) may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(t) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County, the Majority Eligible Warrantholders, and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County, the Majority Eligible Warrantholders, and JPMorgan, then any of the County, JPMorgan, or the Majority Eligible Warrantholders may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(u) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(v) If the County amends the Financing Plan in any material respect without the written approval of the Majority Eligible Warranholders and JPMorgan and does not rescind such amendment or obtain the written approval of the Majority Eligible Warranholders and JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from the Majority Eligible Warranholders or JPMorgan (which written notice must be provided by the Majority Eligible Warranholders or JPMorgan, as applicable, within seven (7) calendar days after the County provides the notice required by Section 4(d)), then either JPMorgan or the Majority Eligible Warranholders, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(w) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (w) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a “Trigger Event.”

8.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 8.2(a) shall only apply to Sections 8.1(b)-(d), (f)-(m), (p), (s), (t), and (v), and a Trigger Event under all other clauses of Section 8.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 8.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 8.1(b)-(c), (g)-(m), (p), (t), and (v), and not the other Trigger Events in Section 8.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 8.2(c) shall prejudice any Party’s rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

8.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure

of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 8.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

8.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 8.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 9.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 8.1 (other than a termination under Section 8.1(w)), any and all ballots with respect to an Acceptable Plan delivered by each Supporting Warrantholder prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 8.1(w), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 9.10) shall be fully reserved.

Section 9. Miscellaneous Terms.

9.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Supporting Warrantholder or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Sewer Warrant Insurer, any other Supporting Warrantholder, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

9.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

9.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County, JPMorgan, and all of the Supporting Warrantholders listed on Schedule 1 as of the date hereof. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without

constituting a Trigger Event except as provided in Section 8.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

9.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

9.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE “CHOICE OF LAW” PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

9.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the JPMorgan PSA and certain agreements among the Supporting Warranholders, this Agreement, together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by (x) the County, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of the County; (y) JPMorgan, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of JPMorgan; and (z) the Majority Eligible Warranholders, in the case of any modification, amendment, or supplement affecting a right, obligation, or interest of all Supporting Warranholders; *provided*, that (i) any modification of, or amendment or supplement to, this Agreement that has a disproportionate material adverse effect on any Supporting Warranholder shall require the written consent of such Supporting Warranholder so affected; (ii) any modification of, or amendment or supplement to, the consideration payable to the Supporting Warranholders (other than an increase in the consideration payable thereto in accordance with the Plan Term Sheet, which such increases shall not require the written consent of such affected

Supporting Warrantholders); (iii) any modification of, or amendment or supplement to, this Agreement that imposes additional obligations, cost or liability on a Party shall require the written consent of the Party so affected; and (iv) any modification of, or amendment or supplement to, this Section 9.6(c) or the Outside Date shall require the written consent of all Parties.

(d) Other than waivers contemplated by Section 8.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

9.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

9.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

9.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

9.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 9.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 9.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

9.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

9.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Supporting Warrantholder hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. Neither the execution nor delivery of this Agreement by the Supporting Warrantholders, nor the terms and conditions contained herein, shall provide a basis for the establishment or formation of a "group" under section 13(d)(3) of the Securities Exchange Act of 1934, as amended. Each Supporting Warrantholder disclaims the beneficial ownership of any securities of the County held by any other Supporting Warrantholder and its affiliates. It is understood and agreed that no Supporting Warrantholder has any duty of trust or confidence in any form with any other Supporting Warrantholder. In this regard, it is understood and agreed that, subject to Section 3, any Supporting Warrantholder may trade in the Sewer Warrants or other debt securities of the County without the consent of the County or JPMorgan, as the case may be, or any other Supporting Warrantholder, subject to all applicable securities laws and the terms of this Agreement; *provided, further*, that no Supporting Warrantholder shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern or practice of sharing confidences among or between the Supporting Warrantholders shall in any way affect or negate this understanding and agreement.

9.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babbc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to JPMorgan:

JPMorgan Chase Bank, N.A.
383 Madison Avenue

New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

If to Supporting Warrantholders:

At the addresses set forth in the signature pages hereto or set forth in a Transfer Agreement

-and-

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Thomas Moers Mayer, Esq.; Elan Daniels, Esq.
Facsimile: (212) 715-8169
Email: tmayer@kramerlevin.com; edaniels@kramerlevin.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 9.13.

9.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 8.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(y), 8.3, 8.4, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.9, 9.10, 9.11, 9.12, 9.13, 9.15, 9.16, 9.17, and this Section 9.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

9.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency

between any provision of this Agreement and Section 3 of the Plan Term Sheet, Section 3 of the Plan Term Sheet shall control.

9.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

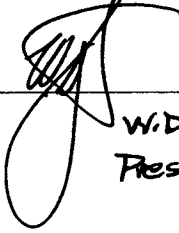
9.17 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



By: *W.D. Carrington*
Its: *Resident*

JPMorgan Chase Bank, N.A.

By:
Its:


[Signature pages for each Supporting Warrantholder follow separately below]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMorgan Chase Bank, N.A.


By: WILLIAM A AUSTIN
Its: EXECUTIVE DIRECTOR

[Signature pages for each Supporting Warrantholder follow separately below]

BRIGADE CAPITAL MANAGEMENT, LLC, *on
behalf of certain managed funds and investment
vehicles*

By: 

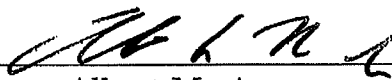
Name: Carney Hawks

Title: Partner

Address for Notices:

Brigade Capital Management, LLC
399 Park Avenue
16th Floor
New York, NY 10022
Attn: Carney Hawks
Email: ch@brigadecapital.com


CLAREN ROAD CREDIT MASTER FUND, LTD.

By: 
Name: Albert Marino
Title: Director

Address for Notices:

Claren Road Credit Master Fund, Ltd.
c/o Claren Road Asset Management, LLC
900 Third Avenue
29th Floor
New York, NY 10022
Attn: Legal Dept.
Email: ruberti@clarenroad.com

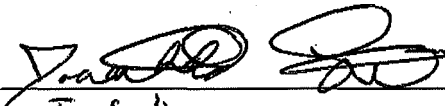
CLAREN ROAD CREDIT OPPORTUNITIES
MASTER FUND, LTD.

By: 
Name: Albert Marino
Title: Director

Address for Notices:

Claren Road Credit Opportunities Master Fund, Ltd.
c/o Claren Road Asset Management, LLC
900 Third Avenue
29th Floor
New York, NY 10022
Attn: Legal Dept.
Email: ruberti@clarenroad.com

EMERALD EAGLE HOLDINGS, L.L.C.

By: 
Name: Jon Smith
Title: Authorized Signatory

Address for Notices:

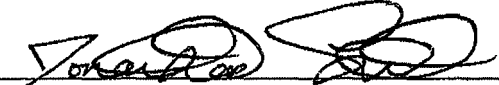
Emerald Eagle Holdings, L.L.C.
c/o Trade Claims
P.O. Box 1203
New York, NY 10150
claims@emeraldeagle.net

EMERALD EAGLE HOLDINGS SOUTH, L.L.C.

By:

Name:

Title:


Jon Smith
Authorized Signatory

Address for Notices:

Emerald Eagle Holdings South, L.L.C.
c/o Trade Claims
P.O. Box 1211
New York, NY 10150
bankruptcy@eaglesouth.net

FUNDAMENTAL PARTNERS LP
a Delaware limited partnership, as Holder

By: Fundamental Partners GP LLC,
a Delaware limited liability company, its
General Partner

By: 

Laurence L. Gottlieb
Chairman & CEO

Address for Notices:

Fundamental Partners LP
c/o Fundamental Advisors, L.P.
745 Fifth Avenue
30th Floor
New York, NY 10151
Attn:
Email:

{Signature Page to Plan Support Agreement}

FUNDAMENTAL PARTNERS II LP
a Delaware limited partnership, as Holder

By: Fundamental Partners II GP LLC,
a Delaware limited liability company, its
General Partner

By: 

Laurence L. Gottlieb
Chairman & CEO

Address for Notices:

Fundamental Partners II LP
c/o Fundamental Advisors, L.P.
745 Fifth Avenue
30th Floor
New York, NY 10151
Attn:
Email:

[Signature Page to Plan Support Agreement]

GLENDON CAPITAL MANAGEMENT L.P., *on
behalf of its advised accounts*

By: 

Name: Eitan Melamed

Title: Partner

Address for Notices:

Glendon Capital Management L.P.
1620 26th Street, Suite 2000N
Santa Monica, CA 90404
Attn:
Email:

MONARCH RESEARCH ALPHA MASTER FUND LTD
MONARCH ALTERNATIVE SOLUTIONS MASTER
FUND LTD
MONARCH CAPITAL MASTER PARTNERS II-A LP
MONARCH DEBT RECOVERY MASTER FUND LTD
MONARCH OPPORTUNITIES MASTER FUND LTD
P MONARCH RECOVERY LTD.
MONARCH CAYMAN FUND LIMITED
MONARCH CAPITAL MASTER PARTNERS II LP
MONARCH CAPITAL MASTER PARTNERS LP
OAKFORD MF LIMITED

By: MONARCH ALTERNATIVE CAPITAL LP,
*solely as investment manager to the above
entities*

By: _____
Name:
Title:


Christopher Santana
Managing Principal

Address for Notices:

Monarch Alternative Capital LP
535 Madison Avenue
New York, NY 10022

Attn: Michael Kelly, Managing Principal - Chief Legal Officer

Email: michael.kelly@monarchlp.com

RED MOUNTAIN HOLDINGS LLC

By: _____

Name: *Andrew Harenstein*

Title: *Authorized Person*

Address for Notices:

Red Mountain Holdings LLC
535 Madison Avenue, 26th Floor
New York, NY 10022
Attn: Michael Gillin
Email: michael.gillin@monarchlp.com

STONE LION CAPITAL PARTNERS L.P., *on
behalf of funds and accounts managed by it*

By: 

Name:

Title:

Claudia Borg
General Counsel

Address for Notices:

Stone Lion Capital Partners L.P.
555 Fifth Avenue
18th Floor
New York, NY 10017
Attn: Claudia Borg
Email: cborg@stonelioncapital.com

[Signature Page to Plan Support Agreement]

Schedule 1

Eligible Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KA0	\$19,375,000.00
Claren Road Credit Master Fund, LTD.	472682KA0	\$1,875,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KA0	\$800,000.00
Emerald Eagle Holdings South, L.L.C.	472682KA0	\$2,437,875.00
Emerald Eagle Holdings, L.L.C.	472682KA0	\$1,237,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KA0	\$45,000.00
Monarch Capital Master Partners II LP	472682KA0	\$99,000.00
Monarch Capital Master Partners II-A LP	472682KA0	\$143,000.00
Monarch Capital Master Partners LP	472682KA0	\$93,000.00
Monarch Cayman Fund Limited	472682KA0	\$88,000.00
Monarch Debt Recovery Master Fund Ltd	472682KA0	\$1,241,000.00
Monarch Opportunities Master Fund Ltd	472682KA0	\$1,448,000.00
Oakford MF Limited	472682KA0	\$221,000.00
P Monarch Recovery LTD	472682KA0	\$122,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KB8	\$16,125,000.00
Claren Road Credit Master Fund, LTD.	472682KB8	\$425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KB8	\$200,000.00
Emerald Eagle Holdings South, L.L.C.	472682KB8	\$166,250.00
Emerald Eagle Holdings, L.L.C.	472682KB8	\$83,750.00
Monarch Alternative Solutions Master Fund Ltd	472682KB8	\$51,000.00
Monarch Capital Master Partners II LP	472682KB8	\$19,000.00
Monarch Capital Master Partners II-A LP	472682KB8	\$159,000.00
Monarch Capital Master Partners LP	472682KB8	\$70,000.00
Monarch Cayman Fund Limited	472682KB8	\$99,000.00
Monarch Debt Recovery Master Fund Ltd	472682KB8	\$1,406,000.00
Monarch Opportunities Master Fund Ltd	472682KB8	\$455,000.00
Oakford MF Limited	472682KB8	\$16,000.00
P Monarch Recovery LTD	472682KB8	\$250,000.00
Claren Road Credit Master Fund, LTD.	472682KC6	\$950,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Opportunities Master Fund, LTD.	472682KC6	\$400,000.00
Emerald Eagle Holdings South, L.L.C.	472682KC6	\$256,875.00
Emerald Eagle Holdings, L.L.C.	472682KC6	\$118,125.00
Monarch Alternative Solutions Master Fund Ltd	472682KC6	\$751,000.00
Monarch Capital Master Partners II LP	472682KC6	\$329,000.00
Monarch Capital Master Partners II-A LP	472682KC6	\$2,237,000.00
Monarch Capital Master Partners LP	472682KC6	\$2,185,000.00
Monarch Cayman Fund Limited	472682KC6	\$1,290,000.00
Monarch Debt Recovery Master Fund Ltd	472682KC6	\$8,565,000.00
Monarch Opportunities Master Fund Ltd	472682KC6	\$3,733,000.00
Oakford MF Limited	472682KC6	\$485,000.00
P Monarch Recovery LTD	472682KC6	\$1,125,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682KC6	\$9,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KD4	\$10,100,000.00
Emerald Eagle Holdings South, L.L.C.	472682KD4	\$6,788,500.00
Emerald Eagle Holdings, L.L.C.	472682KD4	\$3,636,500.00
Monarch Alternative Solutions Master Fund Ltd	472682KD4	\$127,000.00
Monarch Capital Master Partners II LP	472682KD4	\$41,000.00
Monarch Capital Master Partners II-A LP	472682KD4	\$414,000.00
Monarch Capital Master Partners LP	472682KD4	\$613,000.00
Monarch Cayman Fund Limited	472682KD4	\$190,000.00
Monarch Debt Recovery Master Fund Ltd	472682KD4	\$2,671,000.00
Monarch Opportunities Master Fund Ltd	472682KD4	\$491,000.00
Oakford MF Limited	472682KD4	\$71,000.00
P Monarch Recovery LTD	472682KD4	\$232,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682KH5	\$16,525,000.00
Claren Road Credit Master Fund, LTD.	472682KH5	\$18,675,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682KH5	\$8,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682KH5	\$9,560,000.00
Emerald Eagle Holdings, L.L.C.	472682KH5	\$5,140,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LH4	\$8,925,000.00
Emerald Eagle Holdings South, L.L.C.	472682LH4	\$3,661,125.00
Emerald Eagle Holdings, L.L.C.	472682LH4	\$2,038,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LH4	\$13,275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LH4	\$168,000.00
Monarch Capital Master Partners II LP	472682LH4	\$19,000.00
Monarch Capital Master Partners II-A LP	472682LH4	\$757,000.00
Monarch Capital Master Partners LP	472682LH4	\$125,000.00
Monarch Cayman Fund Limited	472682LH4	\$666,000.00
Monarch Debt Recovery Master Fund Ltd	472682LH4	\$4,659,000.00
Monarch Opportunities Master Fund Ltd	472682LH4	\$1,376,000.00
Oakford MF Limited	472682LH4	\$93,000.00
P Monarch Recovery LTD	472682LH4	\$187,000.00
Emerald Eagle Holdings South, L.L.C.	472682LJ0	\$2,130,000.00
Emerald Eagle Holdings, L.L.C.	472682LJ0	\$1,045,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LJ0	\$275,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LJ0	\$84,000.00
Monarch Capital Master Partners II LP	472682LJ0	\$23,000.00
Monarch Capital Master Partners II-A LP	472682LJ0	\$272,000.00
Monarch Capital Master Partners LP	472682LJ0	\$363,000.00
Monarch Cayman Fund Limited	472682LJ0	\$217,000.00
Monarch Debt Recovery Master Fund Ltd	472682LJ0	\$2,323,000.00
Monarch Opportunities Master Fund Ltd	472682LJ0	\$460,000.00
Oakford MF Limited	472682LJ0	\$83,000.00
P Monarch Recovery LTD	472682LJ0	\$125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LK7	\$20,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682LK7	\$3,559,375.00
Emerald Eagle Holdings, L.L.C.	472682LK7	\$1,765,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LK7	\$1,100,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LK7	\$71,000.00
Monarch Capital Master Partners II LP	472682LK7	\$28,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682LK7	\$232,000.00
Monarch Capital Master Partners LP	472682LK7	\$398,000.00
Monarch Cayman Fund Limited	472682LK7	\$144,000.00
Monarch Debt Recovery Master Fund Ltd	472682LK7	\$1,992,000.00
Monarch Opportunities Master Fund Ltd	472682LK7	\$643,000.00
Oakford MF Limited	472682LK7	\$91,000.00
P Monarch Recovery LTD	472682LK7	\$176,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LL5	\$1,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682LL5	\$3,360,125.00
Emerald Eagle Holdings, L.L.C.	472682LL5	\$1,664,875.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LL5	\$5,650,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LL5	\$353,000.00
Monarch Capital Master Partners II LP	472682LL5	\$168,000.00
Monarch Capital Master Partners II-A LP	472682LL5	\$1,357,000.00
Monarch Capital Master Partners LP	472682LL5	\$695,000.00
Monarch Cayman Fund Limited	472682LL5	\$2,057,000.00
Monarch Debt Recovery Master Fund Ltd	472682LL5	\$2,166,000.00
Monarch Opportunities Master Fund Ltd	472682LL5	\$1,432,000.00
Oakford MF Limited	472682LL5	\$522,000.00
P Monarch Recovery LTD	472682LL5	\$550,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682LM3	\$11,200,000.00
Emerald Eagle Holdings South, L.L.C.	472682LM3	\$9,533,305.00
Emerald Eagle Holdings, L.L.C.	472682LM3	\$5,326,695.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LM3	\$12,350,000.00
Monarch Alternative Solutions Master Fund Ltd	472682LM3	\$166,000.00
Monarch Capital Master Partners II LP	472682LM3	\$33,000.00
Monarch Capital Master Partners II-A LP	472682LM3	\$723,000.00
Monarch Capital Master Partners LP	472682LM3	\$654,000.00
Monarch Cayman Fund Limited	472682LM3	\$606,000.00
Monarch Debt Recovery Master Fund Ltd	472682LM3	\$4,686,000.00
Monarch Opportunities Master Fund Ltd	472682LM3	\$1,928,000.00
Oakford MF Limited	472682LM3	\$205,000.00
P Monarch Recovery LTD	472682LM3	\$224,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682LN1	\$35,589,820.76
Emerald Eagle Holdings South, L.L.C.	472682LT8	\$12,500,000.00
Emerald Eagle Holdings, L.L.C.	472682LT8	\$7,500,000.00
Fundamental Partners II LP	472682LT8	\$17,500,000.00
Fundamental Partners LP	472682LT8	\$17,500,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682LT8	\$12,910,420.86
Emerald Eagle Holdings South, L.L.C.	472682MD2	\$253,450.00
Emerald Eagle Holdings, L.L.C.	472682MD2	\$116,550.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NA7	\$9,975,000.00
Emerald Eagle Holdings South, L.L.C.	472682NA7	\$6,505,625.00
Emerald Eagle Holdings, L.L.C.	472682NA7	\$3,369,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NA7	\$4,175,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NA7	\$21,000.00
Monarch Capital Master Partners II-A LP	472682NA7	\$203,000.00
Monarch Cayman Fund Limited	472682NA7	\$254,000.00
Monarch Debt Recovery Master Fund Ltd	472682NA7	\$607,000.00
Monarch Opportunities Master Fund Ltd	472682NA7	\$774,000.00
Oakford MF Limited	472682NA7	\$41,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NB5	\$2,500,000.00
Claren Road Credit Master Fund, LTD.	472682NB5	\$1,200,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NB5	\$525,000.00
Emerald Eagle Holdings South, L.L.C.	472682NB5	\$10,186,625.00
Emerald Eagle Holdings, L.L.C.	472682NB5	\$5,163,375.00
Monarch Alternative Solutions Master Fund Ltd	472682NB5	\$84,000.00
Monarch Capital Master Partners II LP	472682NB5	\$286,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Monarch Capital Master Partners II-A LP	472682NB5	\$1,022,000.00
Monarch Cayman Fund Limited	472682NB5	\$422,000.00
Monarch Debt Recovery Master Fund Ltd	472682NB5	\$1,412,000.00
Monarch Opportunities Master Fund Ltd	472682NB5	\$1,370,000.00
Oakford MF Limited	472682NB5	\$57,000.00
P Monarch Recovery LTD	472682NB5	\$172,000.00
Emerald Eagle Holdings South, L.L.C.	472682NC3	\$330,000.00
Emerald Eagle Holdings, L.L.C.	472682NC3	\$170,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NC3	\$375,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NC3	\$108,000.00
Monarch Capital Master Partners II LP	472682NC3	\$49,000.00
Monarch Capital Master Partners II-A LP	472682NC3	\$350,000.00
Monarch Capital Master Partners LP	472682NC3	\$992,000.00
Monarch Cayman Fund Limited	472682NC3	\$216,000.00
Monarch Debt Recovery Master Fund Ltd	472682NC3	\$3,040,000.00
Monarch Opportunities Master Fund Ltd	472682NC3	\$1,217,000.00
Oakford MF Limited	472682NC3	\$227,000.00
P Monarch Recovery LTD	472682NC3	\$151,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NC3	\$250,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682ND1	\$2,000,000.00
Claren Road Credit Master Fund, LTD.	472682ND1	\$8,250,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682ND1	\$3,550,000.00
Emerald Eagle Holdings South, L.L.C.	472682ND1	\$2,129,375.00
Emerald Eagle Holdings, L.L.C.	472682ND1	\$995,625.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682ND1	\$2,800,000.00
Monarch Alternative Solutions Master Fund Ltd	472682ND1	\$48,000.00
Monarch Capital Master Partners II LP	472682ND1	\$241,000.00
Monarch Capital Master Partners II-A LP	472682ND1	\$153,000.00
Monarch Capital Master Partners LP	472682ND1	\$436,000.00
Monarch Cayman Fund Limited	472682ND1	\$319,000.00
Monarch Debt Recovery Master Fund Ltd	472682ND1	\$1,334,000.00
Monarch Opportunities Master Fund Ltd	472682ND1	\$3,759,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Oakford MF Limited	472682ND1	\$596,000.00
P Monarch Recovery LTD	472682ND1	\$64,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NE9	\$2,700,000.00
Emerald Eagle Holdings South, L.L.C.	472682NE9	\$4,410,625.00
Emerald Eagle Holdings, L.L.C.	472682NE9	\$2,239,375.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NE9	\$4,125,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NF6	\$35,000,000.00
Claren Road Credit Master Fund, LTD.	472682NF6	\$3,500,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NF6	\$1,500,000.00
Emerald Eagle Holdings South, L.L.C.	472682NF6	\$12,950,000.00
Emerald Eagle Holdings, L.L.C.	472682NF6	\$7,050,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NF6	\$2,500,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682NF6	\$10,000,000.00
Claren Road Credit Master Fund, LTD.	472682NG4	\$14,425,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NG4	\$6,200,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NG4	\$7,325,000.00
Monarch Alternative Solutions Master Fund Ltd	472682NG4	\$336,000.00
Monarch Capital Master Partners II LP	472682NG4	\$65,000.00
Monarch Capital Master Partners II-A LP	472682NG4	\$1,282,000.00
Monarch Cayman Fund Limited	472682NG4	\$791,000.00
Monarch Debt Recovery Master Fund Ltd	472682NG4	\$3,797,000.00
Monarch Opportunities Master Fund Ltd	472682NG4	\$3,455,000.00
Oakford MF Limited	472682NG4	\$197,000.00
P Monarch Recovery LTD	472682NG4	\$577,000.00
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682NH2	\$39,850,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
Claren Road Credit Master Fund, LTD.	472682NH2	\$6,925,000.00
Claren Road Credit Opportunities Master Fund, LTD.	472682NH2	\$2,975,000.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NH2	\$15,000,000.00
Emerald Eagle Holdings South, L.L.C.	472682NJ8	\$34,250.00
Emerald Eagle Holdings, L.L.C.	472682NJ8	\$15,750.00
Glendon Capital Management LP <i>on behalf of its advised accounts</i>	472682NJ8	\$225,000.00
Monarch Capital Master Partners II LP	472682NJ8	\$2,000.00
Monarch Debt Recovery Master Fund Ltd	472682NJ8	\$6,000.00
Monarch Opportunities Master Fund Ltd	472682NJ8	\$62,000.00
P Monarch Recovery LTD	472682NJ8	\$30,000.00
Emerald Eagle Holdings South, L.L.C.	472682NK5	\$68,500.00
Emerald Eagle Holdings, L.L.C.	472682NK5	\$31,500.00
Monarch Capital Master Partners II LP	472682NK5	\$1,000.00
Monarch Debt Recovery Master Fund Ltd	472682NK5	\$2,000.00
Monarch Opportunities Master Fund Ltd	472682NK5	\$15,000.00
P Monarch Recovery LTD	472682NK5	\$7,000.00
Red Mountain Holdings LLC	472682PJ6	\$4,918,002.82
Red Mountain Holdings LLC	472682PJ6	\$1,448,295.26
Red Mountain Holdings LLC	472682PJ6	\$674,970.72
Red Mountain Holdings LLC	472682PJ6	\$5,118,831.65
Red Mountain Holdings LLC	472682PJ6	\$29,015,611.89
Red Mountain Holdings LLC	472682PJ6	\$16,501,131.27
Red Mountain Holdings LLC	472682PJ6	\$1,940,704.55
Red Mountain Holdings LLC	472682PJ6	\$2,236,623.73
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PL1	\$30,000,000.00
Monarch Alternative Solutions Master Fund Ltd	472682PL1	\$1,534,000.00
Monarch Capital Master Partners II-A LP	472682PL1	\$4,886,000.00
Monarch Debt Recovery Master Fund Ltd	472682PL1	\$15,218,947.00
Monarch Opportunities Master Fund Ltd	472682PL1	\$9,350,000.00
Monarch Research Alpha Master Fund Ltd	472682PL1	\$1,368,000.00

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
P Monarch Recovery LTD	472682PL1	\$1,298,000.00
Stone Lion Capital Partners L.P. <i>on behalf of funds and accounts managed by it</i>	472682PL1	\$30,000,000.60
Brigade Capital Management, LLC <i>on behalf of the funds and accounts managed by it</i>	472682PM9	\$31,770,000.00

Excess Sewer Warrants

<u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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Exhibit A

Plan Term Sheet

**JEFFERSON COUNTY, ALABAMA:
SUMMARY OF INDICATIVE TERMS FOR
TREATMENT OF SUPPORTING WARRANTHOLDERS
UNDER A CHAPTER 9 PLAN OF ADJUSTMENT**

THIS TERM SHEET (THE “**TERM SHEET**”) DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN OF ADJUSTMENT, IT BEING UNDERSTOOD THAT SUCH A SOLICITATION, IF ANY, WILL ONLY BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES AND/OR BANKRUPTCY LAWS. THIS TERM SHEET DOES NOT ADDRESS ALL MATERIAL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH ANY POTENTIAL RESTRUCTURING AND IS SUBJECT TO THE COMPLETION OF DUE DILIGENCE, CREDIT APPROVAL AND DEFINITIVE DOCUMENTS IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE SUPPORTING WARRANTHOLDERS. THIS TERM SHEET AND THE TRANSACTIONS CONTEMPLATED HEREIN ARE PART OF A PROPOSED SETTLEMENT OF CLAIMS AND DISPUTES AMONG THE COUNTY, JPM AND THE SUPPORTING WARRANTHOLDERS. NOTHING IN THIS TERM SHEET SHALL CONSTITUTE A WAIVER OF ANY RIGHTS WITH RESPECT TO ANY OF THE PROPOSED TERMS CONTAINED HEREIN OR ANY RIGHTS TO MAKE ANY ARGUMENTS OR TAKE ANY POSITIONS CONSISTENT WITH OR CONTRARY TO THE TERMS OF THIS TERM SHEET AND ALL SUCH RIGHTS ARE RESERVED PENDING COMPLETION OF FINAL AGREED DEFINITIVE DOCUMENTATION. THIS TERM SHEET IS SUBJECT IN ALL RESPECTS TO THE TERMS AND CONDITIONS OF THE ACCOMPANYING AD HOC PLAN SUPPORT AGREEMENT.

<p>1. Plan Support Agreement & Time Period</p>	<p>Jefferson County, Alabama (the “County”), JPMorgan Chase Bank, N.A. (“JPM”) and the holders (including any transferee of such holders, the “Supporting Warrantholders”) of \$872,559,361.11 outstanding principal amount of warrants secured by special revenues from the Jefferson County sewer system (the “Sewer Warrants”) issued pursuant to that certain Trust Indenture, dated as of February 1, 1997 (as amended and supplemented, the “Indenture”), by and among the County, as issuer and The Bank of New York Mellon, as successor indenture trustee (the “Indenture Trustee”), will execute an agreement (the “Ad Hoc Plan Support Agreement”) under which [a] the County will announce its support for, file and pursue confirmation of the Plan (as defined below) containing the terms set forth herein and for adoption of sewer rates sufficient to support the Plan and [b] the Supporting Warrantholders will agree to support the Plan; <i>provided, however,</i> that the agreement shall terminate, if not previously terminated, if the effective date of the Plan (the “Effective Date”) does not occur before December 20, 2013 (such date or the earliest date of a termination of the Ad Hoc Plan Support Agreement, the “Termination Date”).</p> <p>As used herein, the term “Plan” shall mean a plan of adjustment containing terms set forth herein, in the Ad Hoc Plan Support Agreement, the JPM plan support agreement and the other plan support agreements described in Section 2 below and otherwise reasonably acceptable to the County, the Supporting Warrantholders and JPM. The Plan shall provide for (i) the consensual allowance and treatment under the Plan of (A) the claims of Supporting Warrantholders against the County; and (B) the sewer related claims of JPM and its affiliates against the County to the extent provided in the JPM plan support agreement; (ii) the settlement and release of all subordination and other claims, causes of action and avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) against JPM or its affiliates and the other PSA Released Parties (as defined below) related to the County, the County sewer system, the Sewer Warrants or any insurance issued in respect of the Sewer Warrants, including any</p>
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	<p>such claims, causes of action and avoidance actions of the County, the monoline insurance companies (the “Monolines”; and collectively with the County, JPM, and the Supporting Warrantholders, the “PSA Released Parties”), JPM and its affiliates, the Supporting Warrantholders or other holders of claims against the County, but excluding claims under any applicable wrap insurance policies (x) on account of \$6 million of principal amount of Series 2003-B-8 Sewer Warrants held by FGIC as an investment and (y) exempted in Section 3(e) of the Ad Hoc Plan Support Agreement; and (iii) the dismissal with prejudice or other conclusive resolution acceptable to JPM and the other applicable PSA Released Parties of all pending litigation involving JPM or its affiliates and such other applicable PSA Released Party(ies) related thereto. The broad releases to be incorporated into the Plan will be presented as a resolution of disputed claims inextricably bound with the Plan pursuant to Federal Rule of Bankruptcy Procedure 9019 and will bind all parties in interest (including, without limitation, plaintiffs purporting to assert claims derivatively on the County’s behalf, including, without limitation, in pending adversary proceedings). The Plan will provide for the Bankruptcy Court to issue injunctions enforcing the releases and, to the maximum extent permitted by law, broad exculpations for actions taken by the PSA Released Parties in negotiations and litigation with respect to these matters prior to the filing of the chapter 9 case, in the chapter 9 case, and in any adversary proceedings.</p>
<p>2. Financing Plan & Rate Schedule</p>	<p>By the Commission adopting a resolution directing the President of the Commission to execute each plan support agreement with the Supporting Warrantholders, JPM and the Monolines, including the Ad Hoc Plan Support Agreement, the County shall commit (subject to confirmation and the occurrence of the Effective Date, and in accordance with and pursuant to the Plan) to institute future sewer rate modifications adequate to achieve rate increases of up to 7.41% in each of the first four years after the Effective Date, and up to 3.49% in each year thereafter so long as the new sewer warrants issued under and in connection with the Plan (the “New Sewer Warrants”) remain outstanding (the “Approved Rate Schedule”), consistent with a financing plan containing assumptions regarding an issuance amount, costs of issuance, issuance proceeds, rate forecasts, revenue forecasts, elasticity, operating expenditures and capital expenditures, each as presented for consideration and approval by the Commission simultaneously with the above-referenced plan support agreements (the “Financing Plan”). To the extent the County can issue the New Sewer Warrants, in the amounts required hereunder, by committing to rate increases that are lower than those set forth in the Approved Rate Schedule, the County may do so. In addition, the documents governing the New Sewer Warrants shall contain rate, revenue and other customary covenants permitting the County, following the Effective Date, to institute sewer rate modifications reducing, or requiring the County to institute sewer rate modifications increasing, rates from those set forth in the Approved Rate Schedule, depending on positive or negative variances following the</p>

	<p>Effective Date from the Financing Plan.</p> <p>Following the aforementioned adoptions, the parties will then negotiate reasonably and in good faith any remaining definitive documentation, specifically including the Plan, the Backstop/Put Agreement (as defined below), the indenture for the New Sewer Warrants, the disclosure statement for the Plan, the confirmation order for the Plan and documents ancillary thereto.</p>
<p>3. Treatment of Sewer Warrants other than those held by JPM and the Monolines other than \$6 million of principal amount of Series 2003-B-8 Sewer Warrants held by FGIC as an investment (“<u>Other Warrants</u>”)</p>	<p>As a result of the concessions to be made by JPM and the Monolines pursuant to the Plan, including the reallocation from JPM to holders of Other Warrants of a substantial portion of the pro rata recovery that would otherwise be made to JPM and the contribution of consideration by the Monolines through the settlement of claims and the allowance of reallocated amounts from JPM to flow to the holders of Other Warrants, the recovery on all Other Warrants will be increased as set forth below, and the total amount of New Sewer Warrants to be issued pursuant to the Plan will be lower than would otherwise be necessary to implement the Plan. After implementation of the Financing Plan and on the Effective Date, the County shall distribute to the Indenture Trustee on account of Other Warrants (and for ratable distribution by the Indenture Trustee to the beneficial holders of such Other Warrants) cash in an amount equal to:</p> <ul style="list-style-type: none"> a) <u>65%</u> of outstanding principal amount (after giving effect to the payment of Reinstated Principal Payments described below) if the holders of such warrants elect to retain their claims under any applicable wrap insurance policy against the Monolines relating to the County, or elect to retain any claims on account of pre-petition default interest, in each case, if any; <i>or</i> b) <u>80%</u> of outstanding principal amount (after giving effect to payment of Reinstated Principal Payments described below) if the holders of such warrants waive their claims under any insurance policies against the Monolines relating to the County, release any claims against the PSA Released Parties relating to the County, and waive any claims on account of pre-petition default interest, in each case, if any c) <i>plus</i> in each case of [a] and [b], payment in full (from the sources described in Section 4 below, and only such sources) of all Reinstated Interest Payments and all Reinstated Principal Payments. <p>Subject to court approval of a disclosure statement and solicitation in accordance with the Bankruptcy Code, all of the Supporting Warrantholders shall vote to accept the Plan, grant the releases contemplated by the Plan, including, without limitation, of JPM, and elect to receive the treatment set forth in [b], other than as otherwise exempted in Section 3(e) of the Ad Hoc Plan Support Agreement.</p>

<p>4. Reinstated Principal & Interest Payments</p>	<p>On or about February 1, 2013, the Indenture Trustee declared sewer revenues insufficient to pay all amounts due and payable under the Indenture and thereafter retained, and did not pay to warrant holders, cash that would have been used to pay interest and principal amounts scheduled to become due on and after such date under the terms of the Indenture (without giving effect to any acceleration of indebtedness thereunder). As a part of the standstill on all pending litigation, pursuant to a stipulated form of order to be proposed to effect a standstill in the declaratory judgment action commenced by the Indenture Trustee (the “<u>Declaratory Judgment Action</u>”), the Indenture Trustee will continue to retain such amounts and those that continue to be collected until the earlier of the occurrence of the Effective Date or the Termination Date, as set forth below.</p> <p>The Plan will provide that, to implement a settlement incorporated into the Plan pursuant to Federal Rule of Bankruptcy Procedure 9019 of any and all claims and matters raised in the Declaratory Judgment Action, and any claims related to the reapplication to principal of any interest payments made on the Sewer Warrants during the chapter 9 case, on the Effective Date, all non-default rate interest accrued and unpaid as of the Effective Date (without providing for interest on interest) (“<u>Reinstated Interest Payments</u>”) and all principal amounts which have become due and payable on or after February 1, 2013 and prior to the Effective Date (without giving effect to any acceleration or any accelerated redemption schedule) (“<u>Reinstated Principal Payments</u>”) shall be distributed from funds in the accounts maintained by the Indenture Trustee under the Indenture to the holders of the Sewer Warrants entitled thereto, including payments on the Sewer Warrants held by the Supporting Warrantholders, JPM and the Monolines (including on account of any principal or interest payments made by any Monolines between February 1, 2013 and the Effective Date pursuant to any applicable insurance policies).</p>
<p>5. Backstop/Put Agreement</p>	<p>If the underwriter can sell at least 80% of each of the series of CUSIPs of the New Sewer Warrants but cannot sell the balance in accordance with the Financing Plan because a market clearing price consistent with the Financing Plan does not exist, then the Supporting Warrantholders who commit to purchase New Sewer Warrants under the agreement (the “<u>Backstop/Put Agreement</u>”) will fund, in proportion to the commitment made by each, 50% of the shortfall by accepting, in lieu of cash, a principal amount equal to 50% of the shortfall at the lowest price offered by the underwriter to the public for each of the CUSIPs of the New Sewer Warrants that are being purchased by Supporting Warrantholders who commit to purchase such New Sewer Warrants (with the underwriter to fund the remaining 50% of the shortfall).</p>
<p>6. Backstop/Put Fee; Restriction on Transfer</p>	<p>In accordance with and subject to confirmation of the Plan and the occurrence of the Effective Date, the County will agree to pay each Supporting Warrantholder who signs the Backstop/Put Agreement its pro rata share, based on commitment amount, of a fee in an amount equal to</p>

	<p>1.5% of the principal amount of the Sewer Warrants committed by such Supporting Warrantholder to the backstop/put in cash on the Effective Date.</p> <p>The Ad Hoc Plan Support Agreement and Backstop/Put Agreement will provide that rights and obligations of Supporting Warrantholders committing to purchase New Sewer Warrants may not be assigned or otherwise transferred separately from such Supporting Warrantholders' Sewer Warrants, and vice versa. The Ad Hoc Plan Support Agreement and the Backstop/Put Agreement will further provide that Sewer Warrants held by Supporting Warrantholders, and the rights and obligations under the Backstop/Put Agreement, may not be transferred to or assumed by a third party unless such third party agrees to become a party to, bound by and assume all obligations under both the Ad Hoc Plan Support Agreement and the Backstop/Put Agreement. To the extent a selling Supporting Warrantholder transfers its Sewer Warrants in accordance with the transfer restrictions contemplated by the Ad Hoc Plan Support Agreement and the Backstop/Put Agreement, such selling Supporting Warrantholder will be deemed to relinquish its rights (and be released from its obligations) under such agreements to the extent of such transferred rights and obligations with respect to the transferred Sewer Warrants.</p>
<p>7. JPMorgan Distribution</p>	<p>As a material component of the Supporting Warrantholders' agreement to the transactions described herein to be incorporated into the Ad Hoc Plan Support Agreement (including, without limitation, the agreement to waive all insurance and default interest claims, and to restrict transfer of Sewer Warrants only to parties who agree to become party to and bound by all obligations under the Ad Hoc Plan Support Agreement and the Backstop/Put Agreement) and implemented pursuant to the Plan, which agreement will facilitate the various settlements to be implemented pursuant the Plan and occurrence of the Effective Date, JPM has agreed to the reallocation/distribution to the Supporting Warrantholders of a portion of JPM's Plan recovery (an indefeasible cash recovery on the Effective Date of not less than the dollar amount to be specified in the JPM plan support agreement (plus all Reinstated Interest Payments and any Reinstated Principal Payments), after giving effect to all other concessions by JPM pursuant to or in furtherance of the Plan enhancing the recovery generally of holders of Sewer Warrants and such reallocation/distribution), in an aggregate amount equal to 3.46% of the aggregate outstanding principal amount, not to exceed \$872,559,361.11, of Sewer Warrants held by the Supporting Warrantholders on the Effective Date (after giving effect to Reinstated Principal Payments), which reallocation/distribution shall be payable in cash to each Supporting Warrantholder on a pro rata basis, based on outstanding principal amount (after giving effect to Reinstated Principal Payments) not to exceed \$872,559,361.11 and be conditioned upon confirmation of the Plan and the occurrence of the Effective Date, the continued effectiveness of the Ad Hoc Plan Support Agreement and the Backstop/Put Agreement, the JPM plan support agreement and compliance</p>

	<p>by the Supporting Warranholders with all of their obligations under or contemplated by the Ad Hoc Plan Support Agreement and the Backstop/Put Agreement.</p> <p><u>Offset of JPM Distribution:</u> Any increase in distributions made generally available from the County to holders of Other Warrants (including the Supporting Warranholders) in excess of the amount set forth in part [b] in Section 3 shall increase the amount payable in part [b] in Section 3 to the Supporting Warranholders in respect of their Sewer Warrants and correspondingly reduce the amount of the JPMorgan distribution to the benefitted Supporting Warranholders pursuant to this Section 7; <i>provided, however,</i> that the JPM distribution shall not be reduced below \$4 million. For the avoidance of doubt, the consideration payable under the Backstop/Put Agreement shall not be subject to reduction herein.</p>
<p>8. Treatment of Sewer Warrant Principal</p>	<p>All distributions on Other Warrants and the Sewer Warrants held by JPM shall be made on account of outstanding principal amount (after giving effect to Reinstated Principal Payments). Except with respect to the calculation of distributions to any holders of bank warrants electing to receive the treatment described in part [a] in Section 3, interest accrued pre-petition at the default rate in excess of the contract rate shall not be applied to increase principal. As part of the settlement referenced above of matters raised in the Declaratory Judgment Action and concerning reapplication of interest to principal, the Plan will provide that for purposes of distributions under the Plan, no payments made during the case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Principal Payments) shall be applied or recharacterized to reduce principal.</p>
<p>9. Treatment of Sewer Warrant Interest</p>	<p>As part of the settlement referenced above of matters raised in the Declaratory Judgment Action and concerning reapplication of interest to principal, the Plan will provide that no distribution shall be made on account of post-petition interest accrued in excess of pre-default rates. Under a stipulated form of order to be proposed to effect a standstill in the Declaratory Judgment Action, (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee, the Supporting Warranholders and JPMorgan will not present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of (i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to the Plan in accordance with “Reinstated Principal & Interest Payments” above; and</p>

	<p>(y) the Termination Date, after which the all parties’ rights shall be reserved and determined as if this Ad Hoc Plan Support Agreement and Term Sheet had never been executed.</p>
<p>10. Market Risk & Other Conditions</p>	<p>The County and the Supporting Warrantholders acknowledge that the transactions described in this Term Sheet are contingent on implementation of the Financing Plan. The County acknowledges that the Financing Plan contemplates the issuance of New Sewer Warrants to produce net proceeds for distribution to sewer creditors under the Plan of approximately \$1.835 billion, which amount excludes the consideration payable under the Backstop/Put Agreement.</p> <p>Adverse changes in financing markets (including, without limitation, increases in market interest rates) shall not constitute a termination event under the Ad Hoc Plan Support Agreement unless the County, in consultation with its financial advisors, reasonably determines in good faith that it is not economically possible to implement the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “<u>Market Shift</u>”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.</p> <p>The transactions described in this Term Sheet are conditioned on: entry of order approving a Disclosure Statement by August 30; Plan confirmation and validation of New Sewer Warrants by November 25; and occurrence of the Effective Date by December 20, 2013.</p> <p>Unless the County reasonably determines on the advice of its lead underwriter that obtaining ratings will increase the rates necessary to repay the New Sewer Warrants, the County shall use reasonable efforts to obtain ratings for the New Sewer Warrants from at least two of the following rating agencies: Moody’s Investors Service, Standard & Poor’s Ratings Services and Fitch Ratings.</p> <p>The conditions to the Effective Date will include, among things, Bankruptcy Court approval (pursuant to the order confirming the Plan or otherwise) prior to such date of the settlement, releases and other transactions</p>

contemplated hereby, including payment in cash in full of all of the distributions and other payments provided herein to the Supporting Warrantholders.

The conditions to the Effective Date will also include a requirement that the County shall have entered into a settlement agreement with the IRS regarding the pending audit on terms reasonably acceptable to the County and the parties to plan support agreements; *provided, however*, that if any settlement payment is required to be made to the IRS, such payment shall be payable exclusively from gross sewer revenues or funds in the accounts maintained under the Indenture, including, without limitation, accounts into which net sewer revenues are deposited or have been accumulating after February 1, 2013; *provided, further, however*, that any such settlement payment shall not reduce the aggregate refinancing consideration paid to sewer creditors, the Reinstated Principal Payments, the Reinstated Interest Payments or any other payments described herein to be paid to sewer creditors under the Plan or in connection therewith.

Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the New Sewer Warrants and the covenants made by the County for the benefit of the holders thereof (including, without limitation, the revenue and rate covenants) 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 special revenues, which validation will be set forth in the Plan and confirmation order. Confirmation of the Plan shall also constitute a finding that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6). Pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6) and the Confirmation Order, confirmation of the Plan shall be a binding judicial determination that the Approved Rate Structure is appropriate and binding on and specifically enforceable against the County, the County Commission, and all parties in interest in accordance with the Plan, including because such Approved Rate Structure is a valid provision made to pay or secure payment of the New Sewer Warrants.

The Ad Hoc Plan Support Agreement, the Backstop/Put Agreement, the Plan and other definitive documents shall contain other customary and mutually acceptable terms and conditions, including without limitation provisions relating to achieving a standstill of all sewer-related litigation (including appeals) that has been commenced or threatened since the County filed its bankruptcy case, other than the Lehman Brothers claim priority adversary proceeding; *provided, however*, that no party shall be required to incur or become obligated in respect of any material liability or

	<p>expense to achieve such a standstill.</p> <p>For the avoidance of doubt, nothing in this term sheet or in the Ad Hoc Plan Support Agreement shall preclude the Supporting Warrantholders from reallocating consideration contemplated by Section 3 and Section 7 among them in such fashion as may be agreed among the affected Supporting Warrantholders.</p> <p>For the avoidance of doubt, neither the County nor JPMorgan shall have any obligation to pay any additional consideration under the Plan or otherwise on account of any Sewer Warrants acquired by any of the Supporting Warrantholders after the execution of the Ad Hoc Plan Support Agreement beyond the consideration that will result from the treatment set forth in parts [b] and [c] of Section 3 above.</p>
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EXHIBIT B-1

JOINDER TO PLAN SUPPORT AGREEMENT

JOINDER TO PLAN SUPPORT AGREEMENT

This Joinder (“Joinder”) to the Plan Support Agreement (the “PSA”), dated as of June 6, 2013, a copy of which is attached as Annex 1 hereto, by and among Jefferson County, Alabama, JPMorgan Chase Bank, N.A., and the Supporting Warrantholders (collectively, the “Parties”), is executed and delivered by _____ (the “Joining Party”) as of _____, _____.¹

1. Agreement to be Bound by PSA. The Joining Party hereby agrees to become a Party to and, at any time the Joining Party owns Covered Sewer Warrants, to be bound by and timely perform all of the terms and provisions of the PSA (as the same may be hereafter amended, restated or otherwise modified from time to time), and shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warrantholder” and a “Party” for all purposes under the PSA; *provided, however*, that, consistent with Section 3 of the PSA, the Transfer of Excess Sewer Warrants shall not be subject to the transfer restrictions contained in Section 3 of the PSA except during the Excess Warrant Restriction Period; *provided, further, however*, that the Joining Party shall not be required to elect to waive any claims with respect to any wrap insurance for any Exempt Excess Sewer Warrants owned by the Joining Party at the time of execution of this Joinder or after acquired.

2. Agreement to be Bound by the Agreement Among Supporting Warrantholders: By delivering a signature page to this Joinder, the Joining Party hereby agrees to be bound by and timely perform all of the terms and provisions of the Agreement Among Supporting Warrantholders attached as Annex 3 (as the same may be hereafter amended, restated or otherwise modified from time to time, the “Agreement Among Warrantholders”), shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warrantholder” for all purposes under the Agreement Among Warrantholders.

3. Backstop/Put Agreement: Consistent with Section 1(g) of the PSA, [OPTION A] the Joining Party confirms its intention to backstop an offering of New Sewer Warrants as contemplated in the Plan Term Sheet, subject to execution of a Backstop/Put Agreement containing terms and conditions reasonably acceptable to such Supporting Warrantholder and the County (including agreement concerning the terms of the indenture for the New Sewer Warrants), with commitments to be allocated among the Supporting Warrantholders on a pro rata basis based upon the Supporting Warrantholders’ holdings of Eligible Sewer Warrants or on other terms acceptable to each Supporting Warrantholder and the County; OR [OPTION B] by delivering a signature page to this Joinder, the Joining Party hereby agrees to be bound by and timely perform all of the terms and provisions of the Backstop/Put Agreement attached as Annex 4 (as the same may be hereafter amended, restated or otherwise modified from time to time), shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warrantholder” for all purposes under the Backstop/Put Agreement.²

¹ Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the PSA.

² [TBD Depending on whether Backstop/Put Agreement has been Executed]

4. Representations and Warranties. With respect to all Eligible Sewer Warrants and other Covered Sewer Warrants held by the Joining Party after giving effect to the transactions as to which this Joinder is being executed (which the Joining Party has listed in full on Annex 2 hereto) and all related rights and causes of action arising out of or in connection with or otherwise relating to such Sewer Warrants, the Joining Party hereby makes all of the representations and warranties of a Supporting Warrantholder set forth in the PSA to each other Party to the PSA, to the extent applicable, including, without limitation, the representations and warranties set forth in Sections 3 and 6 of the PSA, as of the date hereof.

5. Retention of Counsel and Financial Advisors of Supporting Warrantholders. For so long the Joining Party owns Covered Sewer Warrants, the Joining Party shall [OPTION A] retain each of _____, _____, and _____, the current advisors for the Majority Eligible Warrantholders, in accordance with the form of retention letter document provided by such advisor(s) or [OPTION B] not retain separate advisors to participate in discussions involving the Sewer Warrants with JPMorgan or the County and abide by the decisions of the Majority Eligible Warrantholders, even if such Joining Party votes against such a constituency.

6. Governing Law. This Joinder shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. By its execution and delivery of this Joinder, the Joining Party hereby irrevocably and unconditionally agrees that any dispute with respect to this Joinder shall be resolved by the Bankruptcy Court, which shall also have non-exclusive jurisdiction and power to enforce the terms of this Joinder.

Notice Information

Attention: []

[ADDRESS 1]

[ADDRESS 2]

Telephone: []

Facsimile: []

E-mail: []

[NAME OF JOINING PARTY]

By: _____

Name:

Title:

ANNEX 1

Plan Support Agreement

ANNEX 2

Eligible Sewer Warrants

<u>TRANSFERRING WARRANTHOLDER</u>	<u>NEW WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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Excess Sewer Warrants

<u>TRANSFERRING WARRANTHOLDER³</u>	<u>NEW WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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³ List "N/A" for Excess Sewer Warrants not being acquired from an Existing Supporting Warranholder.

EXHIBIT B-2

MARKETMAKER JOINDER TO PLAN SUPPORT AGREEMENT

MARKETMAKER JOINDER TO PLAN SUPPORT AGREEMENT

This Marketmaker Joinder (“Joinder”) to the Plan Support Agreement (the “PSA”), dated as of June 6, 2013, a copy of which is attached as Annex 1 hereto, by and among Jefferson County, Alabama, JPMorgan Chase Bank, N.A., and the Supporting Warrantholders (collectively, the “Parties”), is executed and delivered by _____ (the “Marketmaker Joining Party”) as of _____, ____.⁴

1. Agreement to Transfer or Join.

(a) As a condition to the settlement of the Transfer, the Marketmaker Joining Party agrees, within [ten (10)] Business Days of the closing of such initial Transfer, to either: (a) Transfer any Eligible Sewer Warrants and, during the Excess Warrant Restriction Period, also transfer Excess Sewer Warrants, acquired from a Supporting Warrantholder to a Supporting Warrantholder or other person (“Subsequent Transferee”) who will execute a Transfer Agreement substantially in the form of Exhibit B-1 or Exhibit B-2 to the PSA, as applicable; or (b) if a Transfer cannot be completed during such time period, to itself execute a Transfer Agreement substantially in the form of Exhibit B-1 to the PSA. Only the Subsequent Transferee (and not the Marketmaker Joining Party, unless it later executes a Transfer Agreement substantially in the form of Exhibit B-1) shall agree to be bound by and be required to timely perform all of the terms and provisions of the PSA (as the same may be hereafter amended, restated or otherwise modified from time to time), and shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warrantholder” and a “Party” for all purposes under the PSA.

(b) Notwithstanding the foregoing, to the extent that a Marketmaker Joining Party has acquired, in connection with an execution of a joinder to the PSA, Eligible Sewer Warrants or Excess Sewer Warrants, as applicable, and continues to hold such Sewer Warrants on the Ballot Submission Deadline, such Marketmaker Joining Party shall be required to vote such Sewer Warrants and make such elections as are required under the PSA solely with respect to such Sewer Warrants.

(c) For the avoidance of doubt, in the event the Marketmaker Joining Party is required to execute a Transfer Agreement substantially in the form of Exhibit B-1 to the PSA or is required to comply with the requirements in Section 1(a) and (b) of this Joinder, the transfer restrictions in Section 3 of the PSA or other obligations under the PSA shall not apply to any other Sewer Warrants or other claims against the County such Marketmaker Joining Party owns on such date or later acquires solely to the extent such Party holds such Sewer Warrants or other claims in its capacity as a Qualified Marketmaker; *provided, however*, that if the Marketmaker Joining Party acquires applicable Covered Sewer Warrants from a Supporting Warrantholder in any capacity it must otherwise comply with the obligations in the respective joinder (Exhibits B-1 or B-2) with respect to such Covered Sewer Warrants it is required to execute (if any) in connection with such transaction.

⁴ Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the PSA.

2. Representations and Warranties. The Marketmaker Joining Party represents and warrants that it is acquiring the applicable Covered Sewer Warrants listed on Annex 2 hereto subject to the PSA with the purpose and intent of acting as a Qualified Marketmaker for such Sewer Warrants. The Marketmaker Joining Party disclaims any other representations, warranties and covenants under the PSA of a “Supporting Warrantholder” other than the covenant to transfer or become bound and vote or make such elections with respect to any Eligible Sewer Warrants or Excess Sewer Warrants, as applicable, owned on the Ballot Submission Deadline in accordance with the PSA as contemplated by Section 1 herein.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. By its execution and delivery of this Joinder, the Joining Party hereby irrevocably and unconditionally agrees that any dispute with respect to this Joinder shall be resolved by the Bankruptcy Court, which shall also have non-exclusive jurisdiction and power to enforce the terms of this Joinder.

Notice Information

Attention: []
[ADDRESS 1]
[ADDRESS 2]
Telephone: []
Facsimile: []
E-mail: []

[NAME OF JOINING PARTY]

By: _____
Name:
Title:

ANNEX 1

Plan Support Agreement

ANNEX 2

Eligible Sewer Warrants

<u>TRANSFERRING</u> <u>WARRANTHOLDER</u>	<u>NEW</u> <u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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Excess Sewer Warrants

<u>TRANSFERRING</u> <u>WARRANTHOLDER</u>	<u>NEW</u> <u>WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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Exhibit C

Form of Sewer Warrant Insurer PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the “**Plan Term Sheet**”), which are expressly incorporated herein by reference, this “**Agreement**”), dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the “**County**”), on the one hand, and Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“**Assured**”), Financial Guaranty Insurance Company (“**FGIC**”), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (“**Syncora**” and collectively with Assured and FGIC, the “**Sewer Warrant Insurers**”), on the other hand. Each of the Sewer Warrant Insurers and the County are referred to herein as a “**Party**” and collectively as the “**Parties**.” Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the “**Indenture**”), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the “**Trustee**”), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County’s sewer system (the “**Sewer Warrants**”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997; (ii) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001; (iii) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002; (iv) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (v) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003; (vi) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (vii) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (viii) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003; and (ix) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003 (collectively, the “**Sewer Wrap Policies**”);

WHEREAS, in connection with the issuance of certain series of Sewer Warrants and in order to satisfy certain requirements under the Indenture, the following policies were issued by the applicable Sewer Warrant Insurer: (i) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (ii) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (iii) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (iv) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005 (collectively, the “Sewer DSRF Policies”);

WHEREAS, in connection with the issuance of the Sewer DSRF Policies, the County entered into the following agreements: (i) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and between the County and FGIC; (ii) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (iii) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (iv) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured (collectively, the “Sewer DSRF Reimbursement Agreements”);

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a “Standby Agreement”);

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the “Bankruptcy 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”);

WHEREAS, each of the Sewer Warrant Insurers has filed claims in the Bankruptcy Case against the County asserting rights to be paid various amounts arising from or in connection with the Sewer Wrap Policies, the Sewer DSRF Policies, and the Sewer DSRF Reimbursement Agreements, including on account of certain Sewer Warrants that are individually held by certain of the Sewer Warrant Insurers (collectively and with any and all other claims of the Sewer Warrant Insurers, whatever the origin or nature, the “Sewer Warrant Insurer Claims”);

WHEREAS, the County disputes the Sewer Warrant Insurers’ entitlements with respect to certain of the Sewer Warrant Insurer Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the Sewer Warrant Insurers dispute the County’s contentions;

WHEREAS, on June 28, 2012, the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) appointed Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator (the “Rehabilitator”) of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”);

WHEREAS, notwithstanding any representation or warranty by, or provision of this Agreement applicable to, FGIC, FGIC's obligations hereunder (and any applicable representations, warranties, or provisions herein) are expressly subject to the Rehabilitator obtaining an order in the FGIC Rehabilitation Proceeding approving FGIC's execution and performance of this Agreement no later than June 28, 2013 (or such later date as the County, FGIC, and the Rehabilitator may agree in writing for obtaining such approval);

WHEREAS, on or about February 6, 2013, the Trustee commenced an adversary proceeding against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (the "Declaratory Judgment Action");

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "JPMorgan PSA") with JPMorgan Chase Bank, N.A. ("JPMorgan") and a plan support agreement (the "Supporting Warrantholder PSA") with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders" and collectively with JPMorgan and the Sewer Warrant Insurers, the "Plan Support Parties");

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, the Sewer Warrant Insurers are contemporaneously entering into certain agreements among themselves (to which the County is not a party) in order to address, among other things, how the consideration payable to the Sewer Warrant Insurers pursuant to an Acceptable Plan (as defined below) shall be distributed and allocated among the Sewer Warrant Insurers and pursuant to the commutation of reinsurance agreements between and among the Sewer Warrant Insurers related to the Sewer Warrants (collectively, the "Sewer Warrant Insurers Agreements");

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an “Acceptable Plan”) and to meet the deadlines set forth in Section 7.1(o) hereof. The County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing the Sewer Warrant Insurers (the “Insurer Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The Insurer Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a Disclosure Statement (as defined below), and a Confirmation Order (as defined below), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement (as defined below) or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) Each of the Sewer Warrant Insurers shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all Sewer Warrant Insurer Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; *provided*, that for the purposes of the Sewer Warrant Insurers voting to accept an Acceptable Plan (including as provided in this Section 1(e)), the term “Sewer Warrant Insurer Claims” shall not include any claims on account of Sewer Warrants that are insured, but not owned, by a Sewer Warrant Insurer, but shall include claims that arise under the Sewer DSRF Reimbursement

Agreements or on account of any principal or interest scheduled to become payable on or after February 1, 2013, that is paid by such Sewer Warrant Insurer and the FGIC Assured-Insured Warrants; and (iii) subject to the occurrence of the Effective Date of an Acceptable Plan, provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan. For the avoidance of doubt, such releases shall not release any rights of the Sewer Warrant Insurers (x) *vis-à-vis* each other to the extent not released in or reserved in any Sewer Warrant Insurers Agreement, (y) under an Acceptable Plan or the Tail Risk Payment Agreements, and (z) of FGIC against Assured under any Sewer Wrap Policies issued by Assured insuring the FGIC Assured-Insured Warrants.

(f) No Party will contest any other Party's ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the Sewer Warrant Insurers or any other creditors with respect to an Acceptable Plan until such parties have received a disclosure statement for an Acceptable Plan (the "Disclosure Statement"), any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) The Sewer Warrant Insurers will have the right to approve all provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the applicable Sewer Warrant Insurer prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the order confirming an Acceptable Plan (the "Confirmation Order"); (ii) the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the work to be done by KCC (or any other entity retained by the County acceptable to the Sewer Warrant Insurers) as a solicitation agent acceptable to the Sewer Warrant Insurers, which will take all reasonable efforts as approved by the Bankruptcy Court to provide holders of Class 1-A claims with actual notice regarding the Commutation Election and an Acceptable Plan (the "Solicitation Procedures"), including the ballots or such other documents that contain the Commutation Election (the "Solicitation Ballots") and any

affidavit of service to be filed by KCC (or any other agent) in connection therewith; (iii) the Disclosure Statement, including the description of the Solicitation Procedures set forth in the Disclosure Statement and any other document to be distributed to holders of Class 1-A claims and the form of the Solicitation Ballots; (iv) procedures by which holders of Class 1-A claims that do not vote or make the Commutation Election, or that elect to both make and not make the Commutation Election, are deemed to have made such an election (the “Commutation Election Procedures”); (v) procedures by which holders of Series 2003-C-9 or 2003-C-10 Sewer Warrants insured by Assured, who have been “deemed” to make the Commutation Election, will be notified of their right to rescind such “deemed” Commutation Election by providing written notice thereof to KCC (or any other agent), Assured, and the County within not less than 29 calendar days after the deadline for making the Commutation Election (the “Rescission Procedures”); (vi) the order or orders approving the Disclosure Statement, Solicitation Procedures, form of Solicitation Ballots, Commutation Election Procedures, and Rescission Procedures; (vii) the Confirmation Order; (viii) the Stipulated Order (as defined below); (ix) the Tail Risk Payment Agreements; (x) all other related Acceptable Plan and closing documentation; and (xi) any other document which is subject to approval by the Sewer Warrant Insurers pursuant to the Plan Term Sheet. The County shall provide the Insurer Professionals with a copy of the ballot tabulation and Commutation Election results (after giving effect to any rescissions exercised by any holders of the Series 2003-C-9 or 2003-C-10 sewer warrants insured by Assured) within one (1) business day of the completion of the report of such results by KCC (or any other agent) and the County.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the FGIC Rehabilitation Proceeding, except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder

as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any of the Sewer Wrap Policies or any of the Sewer DSRF Policies); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order (as defined below)), the Sewer Warrant Insurers providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the Sewer Warrant Insurers to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the Sewer Warrant Insurers, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of such Sewer Warrant Insurer) expose any such Sewer Warrant Insurer to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The Sewer Warrant Insurers shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date of an Acceptable Plan or (y) termination of this Agreement in accordance with Section 7.

(d) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any of the Sewer Wrap Policies and Sewer DSRF Policies, pursuant to a stipulated form of order acceptable to the County and each of the Sewer Warrant Insurers (the “Stipulated Order”) to effect a standstill or suspension of the Declaratory Judgment Action, (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any Sewer Wrap Policies or Sewer DSRF Policies; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(d)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the

termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(x) of the Agreement, after which the Parties' rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

(e) So long as none of this Agreement, the Supporting Warrantholder PSA, or the JPMorgan PSA has been terminated, FGIC shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the FGIC Assured-Insured Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of FGIC to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

Section 3. Representations and Covenants Regarding Claims.

(a) FGIC represents that as of the date of this Agreement, FGIC owns (i) Series 2002-A Sewer Warrants in the principal amount of \$101,465,000, and (ii) Series 2003-B-8 Sewer Warrants in the principal amount of \$6,000,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Syncora represents that as of the date of this Agreement, Syncora owns Sewer Warrants in the principal amount of \$214,191,875.11 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Assured represents that as of the date of this Agreement, Assured owns Sewer Warrants in the principal amount of \$20,375,000 and retains all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. Each Sewer Warrant Insurer represents that as of the date of this Agreement, and except (i) pursuant to any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) as may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to such insurer or such insurer's inability to pay claims in full; or (iii) pursuant to a stipulation, agreement, or court order described in Section 3(c) below, it has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Sewer Warrant Insurer Claims held by such Sewer Warrant Insurer that are inconsistent with, or in violation of, the representations and warranties of such Sewer Warrant Insurer herein, in violation of its obligations under this Agreement or that would adversely affect in any way such Sewer Warrant Insurer's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) Each Sewer Warrant Insurer covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of the Agreement, it will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of its Sewer Warrant Insurer Claims (including any Sewer Warrants), or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a "Transfer"). Any attempt to Transfer any Sewer Warrant Insurer Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance

with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*.

(c) Notwithstanding the foregoing, each of (i) any applicable reinsurance, settlement, or commutation agreements entered into prior to the date hereof; (ii) any transfer that may have occurred or is alleged to have occurred as the result of the commencement of a rehabilitation proceeding with respect to a Sewer Warrant Insurer or such insurer's inability to pay claims in full; and (iii) any stipulation, other agreement, or court order resolving or otherwise addressing any dispute between one or more holders of Sewer Warrants (or the Trustee) and a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of holders, as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by holders and insured by such Sewer Warrant Insurer shall not constitute a "Transfer" under this Agreement.

(d) This Agreement shall in no way be construed to preclude any Sewer Warrant Insurer from acquiring additional Sewer Warrants or any claims directly related thereto as a result of such Sewer Warrant Insurer making payment under any applicable Sewer Wrap Policy or Sewer DSRF Policies on account of regularly scheduled principal or interest due on Sewer Warrants insured by such Sewer Warrant Insurer; *provided, however*, that any additional Sewer Warrants or claims against the County directly related thereto so acquired by any Sewer Warrant Insurer shall automatically be deemed to be subject to the terms of this Agreement, including the voting requirements set forth in Section 1 hereof, and the Sewer Warrant Insurer's rights to receive payments on account of such Sewer Warrants as part of the Insurer Outlay Amount set forth in the Plan Term Sheet.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the JPMorgan PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as Exhibit B and Exhibit C, respectively, and that the Supporting Warrantholders as of the date of the Supporting Warrantholder PSA have represented in the Supporting Warrantholder PSA that they hold in the aggregate no less than \$872,559,361.11 principal amount of Sewer Warrants as of the date of the Supporting Warrantholder PSA.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an

Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to the Sewer Warrant Insurers of any termination of, amendment to, or written notice of potential termination of the JPMorgan PSA, the Supporting Warrantholder PSA, or the GO PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to the Sewer Warrant Insurers under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to the Sewer Warrant Insurers of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

(e) The County shall provide the Insurer Professionals a copy of the update of the relevant portion of Schedule 1 of the Supporting Warrantholder PSA that is required under Section 3(f) of the Supporting Warrantholder PSA within one (1) business day of the County's receipt of such update from the Supporting Warrantholders.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 and approval by the FGIC Rehabilitation Court (in the case of FGIC), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) Subject to approval by the FGIC Rehabilitation Court (in the case of FGIC), the execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, and except for the FGIC Rehabilitation Court (in the case of FGIC) and the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(o)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(o)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to the Sewer Warrant Insurers;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

(b) In connection with the agreement of the Sewer Warrant Insurers to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring,

as long as this Agreement has not been terminated in accordance with Section 7, each of the Sewer Warrant Insurers shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, the Sewer Wrap Policies, the Sewer DSRF Policies, the Sewer DSRF Reimbursement Agreements, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(o) of this Agreement.

Section 7. Termination & Default.

7.1. Events of Termination & Default.

(a) The County and the Sewer Warrant Insurers may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within

twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If any of the Sewer Warrant Insurers or the County provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County, as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC’s execution and performance of this Agreement on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the Rehabilitator for obtaining such approval, then any of the Sewer Warrant Insurers or the County may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the Parties in writing (the “Standstill Date”), then any of the Sewer Warrant Insurers or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been

obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) any of the Sewer Warrant Insurers or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a “Litigation Termination Notice”). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then any of the Sewer Warrant Insurers or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any Sewer Warrant Insurer materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County or any non-breaching Sewer Warrant Insurer, then, subject to such Party’s rights under Section 7.2(a), the County or any non-breaching Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then any of the Sewer Warrant Insurers, but only if such breach adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(k) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of any of the Sewer Warrant Insurers, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the applicable Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from any Sewer Warrant Insurer, then any of the Sewer Warrant Insurers, but only if such action adversely affects a right, obligation, or interest of such Sewer Warrant Insurer, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If any of the Sewer Warrant Insurers files any motion or pleading that, in the reasonable judgment of the County or any other Sewer Warrant Insurer, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County or any other Sewer Warrant Insurer under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County or any other Sewer Warrant Insurer, then the County or any other Sewer Warrant Insurer may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(m) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the Sewer Warrant Insurer Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the Sewer Warrant Insurers (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(n) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then the County or any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(o) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement, the Solicitation Procedures, the form of Solicitation Ballots, and the

Commutation Election Procedures by August 30, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by the Sewer Warrant Insurers in their sole and absolute discretion;

then, in each case, any of the Sewer Warrant Insurers may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(p) If the JPMorgan PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(q) If the Supporting Warrantholder PSA shall have been terminated (or amended with respect to provisions thereof that adversely affect a right, obligation, or interest of one or more of the Sewer Warrant Insurers, without the written consent of each affected Sewer Warrant Insurer) or is no longer in full force and effect, then the County or any of the Sewer Warrant Insurers may by written notice to each other Party terminate this Agreement at any time thereafter.

(r) If any of the Sewer Warrant Insurers materially breaches one of the Sewer Warrant Insurers Agreements and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then any non-breaching Sewer Warrant Insurer, but only if such breach is in respect of a right, obligation, or interest that extends to such non-breaching Sewer Warrant Insurer's benefit, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(s) If any of the Sewer Warrant Insurers Agreements shall have been terminated or is otherwise no longer in full force and effect, then any Sewer Warrant Insurer that is a party to and has not breached the applicable Sewer Warrant Insurers Agreement may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If any condition precedent (including for the avoidance of doubt each condition precedent set forth in paragraph E. of the Plan Term Sheet) to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date, then the County or any of the Sewer Warrant Insurers may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the

condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(u) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and the Sewer Warrant Insurers on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and the Sewer Warrant Insurers, then the County or any of the Sewer Warrant Insurers may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(v) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(w) If the County amends the Financing Plan in any material respect without the written approval of each Sewer Warrant Insurer and does not rescind such amendment or obtain the written approval of each Sewer Warrant Insurer regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from one or more of the Sewer Warrant Insurers (which written notice must be provided by the applicable Sewer Warrant Insurer within seven (7) calendar days after the County provides the notice required by Section 4(d)), then any of the Sewer Warrant Insurers may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(x) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (x) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2. Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(m), (r), and (t)-(u), and (w), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(m), (r), (u), and (w), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3. Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties (including in the case of FGIC, the Rehabilitator); *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4. Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.14; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(x)), any and all ballots with respect to an Acceptable Plan delivered by each Sewer Warrant Insurer prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. For the avoidance of doubt, termination of this Agreement in accordance with Section 7 of this Agreement as to one of the Sewer Warrant Insurers will result in a termination of this Agreement as to all of the Sewer Warrant Insurers. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(x), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement, the Plan Term Sheet, and the Sewer Warrant Insurers Agreements were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict any Sewer Warrant Insurer or its officers or representatives from engaging in discussions with or among any or all of: the County, JPMorgan, any Supporting Warrantholder, any other Sewer Warrant Insurer, any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties (including in the case of FGIC, the Rehabilitator), and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the Sewer Warrant Insurers (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court). Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.13 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for

the sole and express benefit of each of the other Parties to this Agreement. Notwithstanding the foregoing, any dispute regarding whether FGIC has been authorized by the FGIC Rehabilitation Court to execute and perform (a) this Agreement or (b) any of the Sewer Warrant Insurers Agreements shall be subject to the exclusive jurisdiction of the FGIC Rehabilitation Court.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Sewer Warrant Insurers Agreements, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and each Sewer Warrant Insurer.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party (except, with respect to FGIC, subject to and only upon approval by the FGIC Rehabilitation Court) represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than (i) a proceeding to enforce or interpret the terms of this Agreement or (ii) with respect to FGIC, in any proceeding seeking approval of this Agreement by the FGIC Rehabilitation Court. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Several Liability; Individual Status; No Fiduciary.

All obligations and liabilities of the Parties hereunder are several and not joint, and no party to this Agreement shall be liable for any breach or non-performance by any other party to this Agreement. Each Sewer Warrant Insurer hereby agrees that it is (i) executing and delivering this Agreement in its individual capacity and (ii) making its own determination as to whether to execute this Agreement and support the Restructuring. It is understood and agreed that no Sewer Warrant Insurer has any duty of trust or confidence in any form with any other Sewer Warrant Insurer.

8.13 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to Assured:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: Bruce Stern

With a copy to:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attn: General Counsel

and

Winston & Strawn, LLP
200 Park Avenue
New York, New York 10166
Attn: Lawrence A. Larose
Facsimile: (212) 294-4700
Email: LLarose@winston.com

If to FGIC:

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
Attn: Timothy Travers

With a copy to:

Dabney, PLLC
303 Grande Court
Richmond, VA 23229
Attn: H. Slayton Dabney, Jr., Esq.
Email: sdabney@dabneypllc.com

and

Heller, Draper, Patrick & Horn, L.L.C.
650 Poydras Street, Suite 2500
New Orleans, Louisiana 70130
Attn: William H. Patrick, III, Esq.
Facsimile: (504) 299-3399
Email: WPatrick@hellerdraper.com

If to Syncora:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: Frederick B. Hnat, Esq.

With a copy to:

Syncora Guarantee Inc.
135 W. 50th Street
New York, New York 10020
Attn: James W. Lundy, Jr., Esq.
General Counsel
Facsimile: (212) 478-3479
Email: james.lundy@scafg.com

and

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020
Attn: George B. South III, Esq.
Facsimile: (917) 778-8540
Email: george.south@dlapiper.com

and

Quinn Emanuel Urquhart & Sullivan LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010
Attn: Susheel Kirpalani, Esq.
Eric M. Kay, Esq.
Facsimile: (212) 849-7100
Email: susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.13.

8.14 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(d)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.13, 8.15, 8.16, 8.17, and this Section 8.14 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.15 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however,* that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., E., or F. of the Plan Term Sheet, parts C., D., E., and F. of the Plan Term Sheet shall control.

8.16 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

8.17 Use of “Including” and “FGIC”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation,”. Whenever this Agreement uses the word “FGIC,” such reference shall be deemed to mean “FGIC or the Rehabilitator acting on behalf of FGIC”.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By: BENJAMIN M. LAWSKY
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

By: _____

Name: Peter A. Giacone
Title: Chief Financial Officer and Agent of Benjamin M. Lawsky,
Superintendent of Financial Services of the State of New York,
as Rehabilitator of Financial Guaranty Insurance Company

SYNCORA GUARANTEE INC.

By:
Its:

Exhibit D

Form of JPMorgan PSA

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, and collectively with each of the exhibits and schedules attached hereto, including the plan term sheet attached hereto as **Exhibit A** (the "**Plan Term Sheet**"), which are expressly incorporated herein by reference, this "**Agreement**", dated as of June 6, 2013, is made and entered into by and among Jefferson County, Alabama (the "**County**"), on the one hand, and JPMorgan Chase Bank, N.A. ("**JPMorgan**") and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory hereto (together with JPMorgan, the "**JPM Parties**"), on the other hand. Each of the JPM Parties and the County are referred to herein as a "**Party**" and collectively as the "**Parties**." Any capitalized term used but not defined in this Agreement shall have the meaning ascribed to that term in the Plan Term Sheet. The Plan Term Sheet constitutes an integral part of this Agreement.

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "**Indenture**"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "**Trustee**"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "**Sewer Warrants**");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County entered into a series of standby warrant purchase agreements (each a "**Standby Agreement**");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "**Bankruptcy 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**");

WHEREAS, JPMorgan and the Trustee, on behalf of the JPM Parties and other beneficial holders of the Sewer Warrants, have filed claims in the Bankruptcy Case against the County asserting rights to be paid, among other things, various amounts on account of principal and interest arising from or in connection with the Standby Agreements and the Indenture in respect of the Sewer Warrants held by the JPM Parties (collectively, the "**JPMorgan Sewer Warrant Claims**");

WHEREAS, the County disputes the JPM Parties' entitlements with respect to certain of the JPMorgan Sewer Warrant Claims (including with respect to the allowability, secured status, amount, and priority of certain of such claims), and the JPM Parties dispute the County's contentions;

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of all sewer system and Sewer Warrant related disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction in accordance with the terms and conditions of the Plan Term Sheet and this Agreement (the "Restructuring") pursuant to an Acceptable Plan (as defined below);

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Supporting Warrantholder PSA") with JPMorgan and with certain members of an ad hoc group of holders of Sewer Warrants (the "Supporting Warrantholders");

WHEREAS, the County is contemporaneously entering into a plan support agreement (the "Sewer Warrant Insurer PSA") with Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. ("Assured"), Financial Guaranty Insurance Company ("FGIC"), and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. ("Syncora"), each of which is referred to as a "Sewer Warrant Insurer" and collectively with the JPM Parties and the Supporting Warrantholders are the "Plan Support Parties";

WHEREAS, the County previously entered into a plan support agreement dated as of May 13, 2013 (the "GO PSA") with JPMorgan, Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale), and Wells Fargo Bank, National Association, as indenture trustee, in respect of the County's Series 2001-B general obligation warrants and related claims;

WHEREAS, in expressing such support and commitment, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall 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, this Agreement and the Plan Term Sheet (an "Acceptable Plan") and to meet the deadlines set forth in Section 7.1(q) hereof. The

County shall exercise all reasonable efforts to obtain required regulatory and/or third-party approvals, if any, necessary to consummate the Restructuring.

(b) The County shall provide to the professionals representing JPMorgan (the “JPMorgan Professionals”) draft copies of all pleadings and documents related to any Acceptable Plan, the Restructuring, or any of the transactions contemplated thereby as soon as reasonably practicable with reasonable time to review and comment prior to the filing of same with the applicable court. The JPMorgan Professionals will review and provide any comments on all draft pleadings and documents as soon as reasonably practicable with reasonable time for the County to consider and address any comments. Each Party will cooperate, negotiate, and otherwise work with each other Party in good faith to ensure that such pleadings and documents (including any amendments thereto), including an Acceptable Plan, a disclosure statement for an Acceptable Plan (the “Disclosure Statement”), and an order confirming an Acceptable Plan (the “Confirmation Order”), incorporate the provisions of, and are otherwise materially consistent with, this Agreement and the Plan Term Sheet, and otherwise acceptable to the Parties.

(c) The County shall not take any action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan, or the expeditious confirmation and consummation of an Acceptable Plan including consummation of the Restructuring.

(d) The County shall 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 is an Acceptable Plan.

(e) The JPM Parties shall (i) use all reasonable efforts to support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all JPMorgan Sewer Warrant Claims to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 7.4; and (iii) provide a release of the County and all other Plan Support Parties in accordance with this Agreement, the Plan Term Sheet, and an Acceptable Plan of all claims arising under or in connection with all JPMorgan Sewer Warrant Claims. For the avoidance of doubt, such releases shall not release any rights of the JPM Parties under an Acceptable Plan.

(f) No Party will contest any other Party’s ability to appear as a party-in-interest in any matter to be adjudicated in the Bankruptcy Case if such appearance and the positions advocated in connection therewith (i) are not inconsistent with this Agreement, and are not for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; or (ii) are for the purposes of contesting whether any matter, fact, or thing, is a breach of, or inconsistent with, this Agreement or to otherwise enforce this Agreement.

(g) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of the JPM

Parties or any other creditors with respect to an Acceptable Plan until such parties have received the Disclosure Statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court, and in each case in accordance with the Bankruptcy Code and negotiated consistent with Section 1(b). Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

(h) JPMorgan shall have the right to approve the provisions of the following documents (including any amendments thereto) that would potentially affect a right, obligation, or interest of the JPM Parties prior to any such document being filed or distributed to claim holders as part of the solicitation process approved by the Bankruptcy Court, and the County agrees that such documents will incorporate the provisions of, and otherwise be materially consistent with, this Agreement and the Plan Term Sheet: (i) an Acceptable Plan (and any subsequent amendments thereto), including the releases and injunctions to be incorporated into an Acceptable Plan and into the Confirmation Order, (ii) the Disclosure Statement and the order or orders approving the Disclosure Statement and the notice and other procedures for soliciting votes on an Acceptable Plan and affirmative or deemed elections with respect to the Commutation Election, including the ballots or such other documents that contain the Commutation Election, (iii) the Confirmation Order, (iv) the Stipulated Order (as defined below), (v) all other Acceptable Plan and closing documentation, and (vi) any other document which is subject to approval by JPMorgan pursuant to the Plan Term Sheet.

(i) Whenever this Agreement provides that any Party has the “right to approve” a document or that a document must be “acceptable” or “satisfactory” to a Party, such requirement shall in each case be subject to a reasonableness qualifier; *provided, however*, that the Acceptable Plan must in all events incorporate the provisions which are stated in this Agreement and the Plan Term Sheet to be included in an Acceptable Plan.

Section 2. Litigation Standstill.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) “Litigation” shall mean any litigation that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or insurance issued in respect of the Sewer Warrants (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding (v) any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; (w) the pending adversary proceeding concerning the priority of the Lehman Brothers swap claim, Adv. Proc. No. 12-00149-TBB; (x) the proceeding pending before the Supreme Court of the State of New York (the “FGIC Rehabilitation Court”) styled *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (the “FGIC Rehabilitation Proceeding”), except for any actions taken in the FGIC Rehabilitation Proceeding for the purpose of hindering, delaying, or preventing the confirmation or consummation of an Acceptable Plan and the Restructuring; (y) any litigation involving any dispute between a holder of Sewer Warrants (or the Trustee) and

a Sewer Warrant Insurer (including litigation in the FGIC Rehabilitation Proceeding) concerning the rights of such holder as compared to any Sewer Warrant Insurer, with respect to who owns, controls, and may exercise all rights arising out of or in connection with Sewer Warrants that are beneficially owned by such holder and insured by such Sewer Warrant Insurer (but not with respect to any Sewer Warrants or other rights held by any of the Sewer Warrant Insurers as a result of payments made or to be made under any insurance policy); and (z) any litigation permitted by Section 1(f).

(ii) “Reasonable Steps” for purposes of this Agreement shall mean, in furtherance of a suspension or standstill of all Litigation pending on the date hereof that is satisfactory to all the Parties (the “Litigation Standstill,” which for the avoidance of doubt will include the Stipulated Order), the JPM Parties providing all reasonable support to the County in prosecuting a motion in the Bankruptcy Court for appropriate relief to achieve such Litigation Standstill, but shall exclude (x) any obligation of the JPM Parties to cause any person to take any actions which it is not permitted to take under applicable law or by contract; and (y) any action (or inaction) of the JPM Parties, including commencing or continuing any action in the Bankruptcy Court or other court, that could (in the reasonable judgment of the JPM Parties) expose the JPM Parties to liability (contingent or otherwise) or unreimbursed material expense.

(b) Each Party agrees that it shall (i) not commence any new Litigation against any other Party or any other Plan Support Party and shall not prosecute and shall exercise all reasonable efforts to suspend any existing Litigation against any other Party or any other Plan Support Party and (ii) in connection with any such Litigation, take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan; *provided, however*, that no action, matter, or proceeding excluded from the definition of Litigation in Section 2(a)(i) shall be or shall be deemed to be an action inconsistent with the Restructuring or an Acceptable Plan.

(c) The JPM Parties shall take Reasonable Steps to obtain and implement the Litigation Standstill that will remain in effect until the earlier of (x) the Effective Date, at which time all pending Litigation against the JPM Parties will, pursuant to an Acceptable Plan, be dismissed with prejudice or (y) termination of this Agreement in accordance with Section 7.

(d) So long as none of this Agreement, the Supporting Warrantholder PSA, or the Sewer Warrant Insurer PSA has been terminated, the JPM Parties shall not assert a claim against any Sewer Warrant Insurer, demand payment from any Sewer Warrant Insurer, or institute or prosecute any litigation to obtain payment from any Sewer Warrant Insurer in respect of any insurance policy issued by such Sewer Warrant Insurer insuring any of the JPM Parties’ Sewer Warrants, or direct or cause the Trustee to do any of the foregoing; *provided, however*, that nothing herein shall limit the rights of the JPM Parties to take action excluded from the definition of Litigation in Section 2(a)(i)(x) or (y).

(e) As part of the Litigation Standstill, without modifying the Indenture, any Standby Agreement, or any insurance policy with respect to any Sewer Warrants, pursuant to a stipulated form of order acceptable to the County and JPMorgan (the “Stipulated Order”) to effect a standstill or suspension of the adversary proceeding commenced by the Trustee against the County, Syncora, and Assured styled as *The Bank of New York Mellon, as Indenture Trustee*

v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama), Adv. Proc. No. 13-00019 (the “Declaratory Judgment Action”), (i) the County will continue to pay to the Trustee on a monthly basis net revenues of the County’s sewer system (without deducting any additional amounts that may be subject to deduction as “Operating Expenses” under the Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in Adv. Proc. No. 12-00016-TBB); (ii) the Trustee will not, and the Plan Support Parties will not direct or cause the Trustee to, present any claims or seek to draw on any insurance policy with respect to any Sewer Warrants; and (iii) the Trustee shall not distribute such sewer revenues to the holders of Sewer Warrants on account of obligations becoming due on or after February 1, 2013, in each case of Sections 2(e)(i)-(iii), until the earlier of (x) the Effective Date, at which time distributions will be made pursuant to an Acceptable Plan as set forth in the Plan Term Sheet; and (y) the date of the termination of this Agreement in accordance with Section 7 of the Agreement, other than under Section 7.1(y) of the Agreement, after which the Parties’ rights shall be reserved and determined as if this Agreement and Plan Term Sheet had never been executed.

Section 3. Representations and Covenants Regarding Claims.

(a) JPMorgan represents that the JPM Parties own the Sewer Warrants set forth on Schedule 1 hereto, and retain all rights to vote any claims arising from or related to such Sewer Warrants to accept an Acceptable Plan. For the avoidance of doubt, all references in this Agreement to the JPM Parties and the JPMorgan Sewer Warrant Claims shall relate to the JPM Parties in their capacity as the beneficial owners of the Sewer Warrants set forth on Schedule 1 hereto, and shall not include any such JPM Party or JPMorgan Sewer Warrant Claims to the extent of any Sewer Warrants not included on Schedule 1 that may be held by a JPM Party in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders. JPMorgan represents that as of the date of this Agreement, the JPM Parties have not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of their respective right, title, or interest in any Sewer Warrants that is inconsistent with, or in violation of, the representations and warranties of JPMorgan herein, in violation of the obligations of the JPM Parties under this Agreement, or that would adversely affect in any way the performance of their obligations under this Agreement at the time such obligations are required to be performed.

(b) JPMorgan covenants that, from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement, the JPM Parties will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of the JPMorgan Sewer Warrant Claims, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a “Transfer”) other than any Transfer between one JPM Party and another JPM Party. Other than any Transfer between one JPM Party and another JPM Party, any attempt to Transfer any JPMorgan Sewer Warrant Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance with Section 7 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*. Unless the County and JPMorgan otherwise agree, other than any

Transfer between one JPM Party and another JPM Party, the JPM Parties shall not acquire any additional Sewer Warrants.

Section 4. Additional County Covenants and Determinations.

(a) The County represents that the Sewer Warrant Insurer PSA and the Supporting Warrantholder PSA have been executed and delivered contemporaneously with the execution and delivery of this Agreement by all parties thereto in the forms attached as **Exhibit B** and **Exhibit C**.

(b) The County represents that as of the date of the County's execution hereof, the County has determined in good faith that based on the Financing Plan, an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that it shall further represent that (i) as of the date on which the Disclosure Statement is approved by the Bankruptcy Court, and (ii) as of the date on which a confirmation hearing begins with respect to an Acceptable Plan, the County in each case has still determined in good faith that based on the Financing Plan (as it may have been amended prior to each such date in accordance with the terms of this Agreement), an Acceptable Plan can be consummated through issuance of New Sewer Warrants sufficient to generate cash needed for consummation of an Acceptable Plan as set forth in the Plan Term Sheet. The County agrees that an Acceptable Plan will provide that the aggregate consideration from issuance of New Sewer Warrants and other sources of cash to be paid under an Acceptable Plan to the Sewer Warrant creditors (including the JPM Parties and the other Plan Support Parties) shall be approximately \$1.835 billion (assuming only for purposes of setting forth such aggregate consideration that the Tail Risk is equal to exactly \$25 million), plus the distribution of Accumulated Revenues pursuant to an Acceptable Plan as set forth in the Plan Term Sheet.

(c) The County shall provide written notice to JPMorgan of any termination of, amendment to, or written notice of potential termination of the Sewer Warrant Insurer PSA within one (1) business day of any such termination, amendment, or written notice. The written notice that the County must provide to JPMorgan under the immediately preceding sentence shall include a copy of any applicable amendment, notice of termination, or notice of potential termination.

(d) The County shall provide written notice to JPMorgan of any amendment to the Financing Plan within one (1) business day of any such amendment, which written notice shall include a copy of any such amendment. The County represents that any amendment to the Financing Plan shall be a publicly available document.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of the JPM Parties) and except for the approval by the Jefferson County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the Jefferson County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 6. Support Commitments.

(a) In connection with the agreement of the County to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, the County shall use all reasonable efforts to:

(i) file a Disclosure Statement and an Acceptable Plan prior to the deadline set forth in Section 7.1(q)(i) of this Agreement;

(ii) prosecute the Disclosure Statement and an Acceptable Plan and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to the deadlines set forth in Section 7.1(q)(ii)-(iv) of this Agreement, which Confirmation Order shall be satisfactory to JPMorgan;

(iii) cause the Effective Date of an Acceptable Plan to occur prior to the Outside Date;

(iv) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(v) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement or an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

(b) In connection with the agreement of the JPM Parties to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 7, each of the JPM Parties shall use all reasonable efforts to:

(i) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan;

(ii) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(iii) to the extent available, without any Party conceding its applicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture, any Standby Agreement, or any Sewer Warrants;

(iv) in furtherance of the Litigation Standstill, not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver;

(v) negotiate in good faith with the other Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by an Acceptable Plan or the Restructuring, including the documents identified in Section 1(h); and

(vi) take no action (directly or indirectly) that is inconsistent with this Agreement, the Plan Term Sheet, or an Acceptable Plan, or that would delay or otherwise impede approval of the Disclosure Statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring by the deadlines set forth in Section 7.1(q) of this Agreement.

Section 7. Termination & Default.

7.1 Events of Termination & Default.

(a) The County and the JPM Parties may collectively terminate this Agreement by written agreement.

(b) If the County provides written notice to each other Party that the County, in consultation with its financial advisors, has reasonably determined in good faith that it is not economically possible to consummate an Acceptable Plan in accordance with the Financing Plan without economic modifications (other than as anticipated in the Financing Plan) adverse to the ratepayers or the sewer system in any material respect, which such notice must specify the basis for such a determination, and does not rescind such notice within fifteen (15) calendar days of the date on which such notice is provided, then the County or JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice. For the avoidance of doubt and without limitation, except to the extent necessary to address (i) an up to a 50 basis point increase in borrowing rates (yields) from those set forth in the Financing Plan (a “Market Shift”), (ii) a decline in actual or projected revenues from those set forth in the Financing Plan having an economic effect equivalent to or less than a Market Shift, or (iii) some combination of increased borrowing rates (yields) and a decline in actual or projected revenues, in each case from those set forth in Financing Plan and in the aggregate having an economic effect equivalent to or less than a Market Shift, under no other circumstances shall the County be required to proceed with an Acceptable Plan if in order to issue the New Sewer Warrants, in the amount required thereunder, the County must make any pre-Effective Date upward adjustment in the Approved Rate Schedule.

(c) If either the County or JPMorgan provides a written notice to each other Party that such Party has reasonably determined in good faith that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur, in the case of the County as a result of events outside the County’s control (which notice shall specify the basis for such determination), and does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice; *provided, however*, that in any proceeding challenging such a determination, the Party providing the notice bears the burden of proof that the events specified in the notice have occurred and that an Acceptable Plan cannot be confirmed or that the Effective Date cannot occur because of such events.

(d) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(e) If the FGIC Rehabilitation Court fails to approve FGIC's execution and performance of the Sewer Warrant Insurer PSA on or before June 28, 2013, or any later date agreed in writing by the County, FGIC, and the FGIC rehabilitator for obtaining such approval, then either the County or JPMorgan may terminate this Agreement by written notice to each other Party.

(f) If the Parties are unable to obtain and implement the Litigation Standstill on or before July 8, 2013, or such later date agreed by the County and JPMorgan in writing (the "Standstill Date"), then JPMorgan or the County may terminate this Agreement by giving written notice identifying which provisions of the Litigation Standstill have not been obtained or implemented to each other Party within fifteen (15) calendar days after the Standstill Date.

(g) If (i) the Litigation Standstill fails to remain in effect after the Standstill Date or (ii) any new potentially materially-prejudicial Litigation is commenced by the County, any Plan Support Party, the Trustee, or any other party against the County, against any Plan Support Party, or against the Trustee after the Standstill Date, then (x) JPMorgan or the County may provide a written notice specifying, with respect to subsection (g)(i), the provisions of the Litigation Standstill that are no longer in effect or, with respect to subsection (g)(ii), the potential material prejudice associated with such new Litigation and, with respect to either such notice, expressing an intent to terminate this Agreement (a "Litigation Termination Notice"). The Litigation Termination Notice must be provided within fifteen (15) calendar days of the discovery (x) by the Party giving such notice provided under subsection (g)(i) of the provisions of the Litigation Standstill that are no longer in effect or (y) of the commencement of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii), as applicable, and if the Litigation Standstill is not reinstated with respect to subsection (g)(i), or a standstill or resolution of the specified new potentially materially-prejudicial Litigation under subsection (g)(ii) satisfactory to the Party giving such notice does not occur within twenty (20) calendar days of the giving of such notice, then JPMorgan or the County, as applicable, may terminate this Agreement by giving a second written notice to each other Party within twenty-five (25) calendar days of the Litigation Termination Notice.

(h) If any of the JPM Parties materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County, then, subject to the JPM Parties' rights under Section 7.2(a), the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(i) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 7.1 in the case of any other specified material breach by the County, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(j) If JPMorgan materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then, subject to JPMorgan's rights under Section 7.2(a), the County may terminate this Agreement by giving a

second written notice to each other Party within twenty (20) calendar days of the first written notice.

(k) If the County materially breaches the GO PSA and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(l) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan, and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(m) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of JPMorgan, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the JPM Parties under this Agreement, the Plan Term Sheet, or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from JPMorgan, then JPMorgan, but only if such action adversely affects a right, obligation, or interest of the JPM Parties, may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(n) If any of the JPM Parties files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement, the Plan Term Sheet, or an Acceptable Plan, and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(o) If the County files any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any of the Sewer Warrants, the JPMorgan Sewer Warrant Claims, or the liens under the Indenture (or otherwise) securing the Sewer Warrants or asserting any other cause of action against and/or with respect to the Sewer Warrants or the JPM Parties (or if the County supports any such motion, application, or adversary proceeding commenced by any third party or consents to the standing of any such third party), or if the Bankruptcy Court enters an order granting relief with respect to any of the foregoing claims or causes of action, and the County does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(p) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then either the County or JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(q) If any of the following deadlines are not satisfied:

(i) the County shall not have filed an Acceptable Plan and Disclosure Statement with the Bankruptcy Court by July 1, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(ii) the Bankruptcy Court shall have failed to enter an order approving the Disclosure Statement by August 30, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

(iii) the Bankruptcy Court shall have failed to enter the Confirmation Order by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion; or

(iv) the Bankruptcy Court shall have failed to enter an order (which may be the Confirmation Order) validating the New Sewer Warrants by November 25, 2013, unless such date is extended by JPMorgan in its sole and absolute discretion;

then, in each case, JPMorgan may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(r) If the Sewer Warrant Insurer PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(s) If the Supporting Warrantholder PSA shall have been terminated or amended (with respect to provisions thereof that adversely affect a right, obligation, or interest of the JPM Parties, without the written consent of JPMorgan), or is no longer in full force and effect, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter.

(t) If the GO PSA shall have been terminated by (i) either the County or JPMorgan, then either the County or JPMorgan may by written notice to each other Party terminate this Agreement at any time thereafter; or (ii) any other party to the GO PSA, then either the County or JPMorgan may terminate this Agreement by giving ten (10) calendar days written notice to each other Party after any such termination of the GO PSA by such other party.

(u) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, other than occurrence of the Effective Date by the Outside Date,

then either the County or JPMorgan may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(v) If the County fails to enter into a closing agreement relating to the Sewer Warrants and the New Sewer Warrants with the Internal Revenue Service in form and substance acceptable to the County and JPMorgan on or prior to September 30, 2013, or such later date as may be agreed in writing by the County and JPMorgan, then either the County or JPMorgan may give a written notice of intent to terminate this Agreement, and if such Party does not rescind such notice within thirty (30) calendar days of the date on which such notice is provided, then such Party may terminate this Agreement by giving a second written notice to each other Party within thirty-five (35) calendar days of the first written notice.

(w) If the Effective Date shall not have occurred on or prior to the Outside Date, then this Agreement shall terminate automatically without further required action or notice.

(x) If the County amends the Financing Plan in any material respect without the written approval of JPMorgan and does not rescind such amendment or obtain the written approval of JPMorgan regarding such amendment within fifteen (15) calendar days of receiving written notice concerning any such amendment from JPMorgan (which written notice must be provided by JPMorgan within seven (7) calendar days after the County provides the notice required by Section 4(d)), then JPMorgan may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(y) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (y) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a "Trigger Event."

7.2 Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 7.2(a) shall only apply to Sections 7.1(b)-(d), (f)-(o), and (u), (v), and (x), and a Trigger Event under all other clauses of Section 7.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 7.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the

event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 7.1(b)-(c), (g)-(o), (v), and (x), and not the other Trigger Events in Section 7.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 7.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

7.3 Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 7.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

7.4 Effect of Termination.

Upon termination of this Agreement in accordance with Section 7.1, the obligations and agreements of each Party under this Agreement (and the Plan Term Sheet) shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 8.13; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 7.1 (other than a termination under Section 7.1(y)), any and all ballots with respect to an Acceptable Plan delivered by the JPM Parties prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner. To the extent that an Acceptable Plan has been confirmed prior to the termination of this Agreement, other than a termination under Section 7.1(y), the Confirmation Order and order approving the Disclosure Statement shall be vacated, the Parties will be restored to their rights as if this Agreement and the Plan Term Sheet were never entered into and all claims and defenses of the Parties (subject to Section 8.10) shall be fully reserved.

Section 8. Miscellaneous Terms.

8.1 Communications.

This Agreement shall not, and shall not be deemed to, impair, prohibit, limit, or restrict the JPM Parties or their respective officers or representatives from engaging in discussions with or among any or all of: the County, any Supporting Warrantholder, any Sewer Warrant Insurer,

any potential or actual underwriter, or any of the foregoing parties' respective officers, representatives, or advisors.

8.2 No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.3 Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once duly executed by the County and each of the JPM Parties. Notwithstanding the foregoing, the treatment as set forth in the Plan Term Sheet and under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 7.1(d), and shall not affect the validity, legality, or enforceability of any other provision of this Agreement.

8.4 Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.5 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 8.12 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

8.6 Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) With the exception of the Supporting Warrantholder PSA and the GO PSA, this Agreement (including the Plan Term Sheet), together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject

matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and the JPM Parties.

(d) Other than waivers contemplated by Section 7.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

8.7 Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

8.8 Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party.

8.9 Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

8.10 Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind; *provided, however*, that, consistent with the final two sentences of this Section 8.10, this Agreement and the Financing Plan may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 8.10. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement and the Financing Plan may be admitted into evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

8.11 Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.12 Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@bab.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to the JPM Parties:

JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 8.12.

8.13 Survival.

Notwithstanding any termination of this Agreement pursuant to Section 7.1 hereof, the agreements and obligations of the Parties in Sections 2(e)(iii)(y), 7.3, 7.4, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10, 8.11, 8.12, 8.14, 8.15, 8.16, and this Section 8.13 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.14 Inconsistencies.

To the extent there is any inconsistency between any provision of this Agreement and any provision of the Plan Term Sheet, the terms contained within this Agreement (excluding the Plan Term Sheet) shall control; *provided, however*, that to the extent there is any inconsistency between any provision of this Agreement and parts C., D., and E. of the Plan Term Sheet, parts C., D., and E. of the Plan Term Sheet shall control.

8.15 Time Is of the Essence.

Time is of the essence with respect to all dates and deadlines specified in this Agreement.

8.16 Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMORGAN CHASE BANK, N.A.

By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.

By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC

By: William A. Austin
Its: Authorized Signatory

Schedule 1

Sewer Warrants Owned By the JPM Parties

Sewer Warrants¹

Series 2002-C 1 and 5:	\$ 200,750,000
Series 2002-C 2:	\$ 47,711,810
Series 2003-B 1:	\$ 495,455,000
Series 2003-C 1-5:	\$ 373,500,000
Series 2003-C 9-10:	\$ 103,950,000
Total:	\$1,221,366,810 ²

¹ Principal amount of Sewer Warrants; amounts exclude (i) prepetition default interest and fees (Series 2002-C 2) to be waived on the Effective Date, (ii) accrued and unpaid non-default interest on all Series to be paid on the Effective Date from Accumulated Revenues, (iii) regularly scheduled principal amortization (Series 2003-B 1) to be paid on the Effective Date from Accumulated Revenues, and (iv) swap claims of JPMorgan affiliate to be waived on the Effective Date.

² Total Adjusted Principal Amount estimated to be \$1,218,000,000.

PLAN SUPPORT AGREEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT

This PLAN SUPPORT AGREEMENT (as it may be amended and supplemented from time to time, this "Agreement"), dated as of May 13, 2013, is made and entered into by and among Jefferson County, Alabama (the "County"), on the one hand, and Bayerische Landesbank, New York branch (formerly known as Bayerische Landesbank Girozentrale) ("BLB"), JPMorgan Chase Bank, N.A. ("JPMorgan" and together with BLB, the "Banks"), and Wells Fargo Bank, National Association (the "Indenture Trustee"), as indenture trustee, on the other hand (each a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, the County issued those certain General Obligation Warrants, Series 2001-B in the original principal amount of \$120,000,000 (the "2001-B GO Warrants") under that certain *Trust Indenture* dated as of July 1, 2001, between the County and the Indenture Trustee, as successor to The Bank of New York (as amended, the "Indenture");

WHEREAS, in connection with the issuance of the 2001-B GO Warrants, the County entered into that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the Indenture Trustee, and the Banks, as subsequently amended via the *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004 (as amended, the "Standby Agreement");

WHEREAS, following the tender in 2008 of \$119,250,000 (i.e., all but \$750,000) of the 2001-B GO Warrants to the Banks pursuant to the Standby Agreement, all such tendered 2001-B GO Warrants became due and payable in six semi-annual installments, commencing on September 15, 2008 and ending on March 11, 2011, and the \$750,000 of 2001-B GO Warrants that remained outstanding under the Indenture and that are now held by BLB effectively became accelerated upon the commencement of the Bankruptcy Case referenced below, and as a result there is presently \$105,000,000 in principal amount due and owing on account of the 2001-B GO Warrants;

WHEREAS, in connection with the issuance of the 2001-B GO Warrants, the County entered into that certain *ISDA Master Agreement*, dated as of March 23, 2001, between the County and JPMorgan (as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto, the "GO Swap Agreement");

WHEREAS, September 4, 2008 was designated as the "Early Termination Date" under and in accordance with the GO Swap Agreement in respect of all transactions outstanding thereunder, and the termination payment calculated in accordance with the GO Swap Agreement

in respect of such “Early Termination Date” was approximately \$7,900,000 (such amount, together with interest accrued thereon, and any and all other claims arising under or in connection with the GO Swap Agreement, the “GO Swap Agreement Claim”);

WHEREAS, on November 9, 2011 (the “Petition Date”), the County filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the “Bankruptcy 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”);

WHEREAS, the Indenture Trustee and the Banks (as applicable) have filed claims in the Bankruptcy Case asserting rights to be paid, among other things, principal on the 2001-B GO Warrants, pre-bankruptcy non-default and default interest on the 2001-B GO Warrants (including interest thereon), post-bankruptcy interest on the 2001-B GO Warrants, the GO Swap Agreement Claim, and reimbursement of pre- and post-bankruptcy fees and expenses;

WHEREAS, the County disputes the Indenture Trustee’s and the Banks’ entitlements to certain of the claims asserted against the County in the Bankruptcy Case relating to the 2001-B GO Warrants and the GO Swap Agreement Claim, and the Indenture Trustee and the Banks (as appropriate) dispute such contentions; and

WHEREAS, the Parties and their representatives have engaged in good faith, arms’ length settlement discussions regarding a consensual resolution of certain disputes among them and, subject to the terms and conditions set forth herein, have reached agreement concerning, among other matters, the potential treatment of claims arising from or in connection with the 2001-B GO Warrants and the GO Swap Agreement in a chapter 9 plan of adjustment for the County.

NOW, THEREFORE, in consideration of the foregoing and the premises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Agreed Terms of an Acceptable Plan.

The County shall propose and pursue confirmation of an Acceptable Plan (as defined below). Subject to the terms of this Agreement, BLB and JPMorgan each agrees that, so long as it is the legal or beneficial owner of any 2001-B GO Warrants or the GO Swap Agreement Claim, as applicable, and has been properly solicited pursuant to Bankruptcy Code sections 1125 and 1126, it shall timely vote or cause to be voted its portion of (i) any and all claims arising from or in connection with such 2001-B GO Warrants, (ii) any and all claims arising from or in connection with the Indenture or the Standby Agreement, and (iii) the GO Swap Agreement Claim (and not revoke, modify, or withdraw that vote) to accept a chapter 9 plan that includes the following provisions, and no provisions inconsistent therewith (an “Acceptable Plan”):

(a) A single class will be separately classified and include (i) any and all claims arising from or in connection with the 2001-B GO Warrants, and (ii) any and all claims arising from or in connection with the Indenture and the Standby Agreement (the “Series 2001-B GO Class”).

(b) All claims in the Series 2001-B GO Class will be allowed under the Acceptable Plan. However, with the exception of claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of \$52,937,479.17 of BLB claims (the “BLB Claims”) and \$52,185,812.50 of JPMorgan claims (the “JPMorgan Claims”)) and the reasonable fees and expenses of the Indenture Trustee, the Indenture Trustee and the Banks will waive and release all other asserted claims in the Series 2001-B GO Class, including, without limitation, on account of default rate interest, the Banks’ fees and expenses, and postpetition interest, which will receive no distribution under the Acceptable Plan, if confirmed and effective.

(c) In full and final satisfaction of all claims in the Series 2001-B GO Class, the Banks will receive their pro rata share of replacement warrants (“New Warrants”) issued under the Acceptable Plan and governed by an amended and restated indenture (the “New Indenture”), the form of which New Warrants and New Indenture shall be reasonably acceptable to the Indenture Trustee and the Banks, included in a “plan supplement,” and contain the following material terms:

(i) The New Warrants shall be issued in two separate series, one in the amount of the BLB Claims and the other in the amount of the JPMorgan Claims. All of the terms and conditions of the New Indenture will apply equally to each series of the New Warrants.

(ii) The County will make payments on the New Warrants in the amounts and on the dates specified in the amortization schedule attached hereto as Exhibit A, which payments represent the reamortized repayment of the pre-bankruptcy principal (after giving effect to the application of \$15,000,000 in partial principal payments that the County made on or around October 31, 2008 and January 15, 2009, to outstanding principal) and pre-bankruptcy non-default interest due and owing on account of the 2001-B GO Warrants.

(iii) All debt under the New Indenture will have a final maturity date of April 1, 2021.

(iv) The New Warrants will bear interest starting on and after the date on which an Acceptable Plan becomes effective in accordance with its terms (the “Effective Date”). Interest will be computed on the basis of a 360 day year with 12 months of 30 days each, and will be payable semi-annually on April 1 and October 1 of each year. The non-default interest rate for all New Warrants (the “Base Rate”) will be a fixed rate equal to the WSJ Prime Rate on the Effective Date plus 1.65% per annum. The “Default Rate” under the New Indenture will add an additional 100 basis points (1.0%) to the Base Rate.

(v) The New Warrants shall be issued as book entry only securities in authorized denominations of \$5,000, and integral multiples thereof, to the extent required.

(vi) The New Warrants will not be subject to optional redemption prior to the fifth anniversary of the Effective Date. Each series of the New Warrants may be redeemed on a pro rata basis, in whole or in part, on or after the fifth anniversary of the Effective Date at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the fifth anniversary but prior to the sixth anniversary of the Effective Date; 1% if the date of redemption is on or after the sixth anniversary but prior to the seventh anniversary of the Effective Date; and without premium if the date of redemption is on or after the seventh anniversary of the Effective Date.

(vii) Conditions precedent to the issuance of the New Warrants under the New Indenture and representations, warranties, and covenants of the County in the New Indenture shall in substance replicate the conditions, representations, warranties, and covenants of the County with respect to the 2001-B GO Warrants contained in the Indenture and the Standby Agreement, except for those inapplicable to fixed rate warrants not supported by a standby agreement, and after giving effect to the confirmation and effectiveness of an Acceptable Plan.

(viii) The New Indenture, the New Warrants, and any related documentation shall each include an Alabama choice of law provision substantially similar to Section 1.6 of the Indenture.

(d) The GO Swap Agreement Claim will be classified in a separate class (the “GO Swap Class”), and will be allowed under the Acceptable Plan in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full and final satisfaction of all claims in the GO Swap Class, on the Effective Date, the County shall pay JPMorgan the sum of ten dollars (\$10.00).

(e) Under the Acceptable Plan and as of the Effective Date, the County will release the Banks, the Indenture Trustee, and their respective accountants, affiliates, agents, assigns, attorneys, bankers, consultants, directors, employees, executors, financial advisors, heirs, managers, members, officers, parent entities, partners, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present (collectively, “Related Parties”), from any and all causes of action or avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence, in connection with, relating to, or arising from the 2001-B GO Warrants, the Indenture, the Standby Agreement, or the GO Swap Agreement. Except for the obligations imposed on the County by the Acceptable Plan, the New Indenture, and the New Warrants, under the Acceptable Plan and as of the Effective Date, each of BLB, JPMorgan, and the Indenture Trustee will release the County and its Related Parties from any and all causes of action or avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other

occurrence, in connection with, relating to, or arising from the 2001-B GO Warrants, the Indenture, the Standby Agreement, or the GO Swap Agreement.

(f) On the Effective Date, the Acceptable Plan will deem the Standby Agreement and the GO Swap Agreement cancelled and of no further force or effect. On the Effective Date, the Acceptable Plan will deem the Indenture superseded in all respects by the New Indenture.

(g) In accordance with the Indenture, the County shall pay all reasonable fees and expenses of the Indenture Trustee, including but not limited to the fees and expenses of its agents and counsel, in cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) business days after the Effective Date. Nothing in this paragraph shall affect the rights and priorities granted to the Indenture Trustee pursuant to Sections 12.3(b) and 13.7(b) of the Indenture. Counsel for the Indenture Trustee shall provide counsel for the County with a good faith estimate of the anticipated aggregate fees and expenses of the Indenture Trustee prior to the execution of this Agreement.

Section 2. Additional Agreements Related to an Acceptable Plan.

In connection with the County's proposal of an Acceptable Plan, the Parties agree to the following:

(a) The County will take appropriate steps to cause the interest on the New Warrants to be excluded from gross income of the holders thereof for purposes of federal income taxation and will obtain and deliver a customary opinion letter from bond counsel confirming that tax-exempt status simultaneously with the issuance of the New Warrants.

(b) The County shall include in an Acceptable Plan and, as appropriate, in the disclosure statement accompanying an Acceptable Plan, and the County and the Indenture Trustee will take all reasonable actions and cooperate in good faith to ensure that the order confirming an Acceptable Plan includes as conclusions of law, the following provisions (as modified, *mutatis mutandis*, to utilize defined terms that also encompass other categories of claims to which the following language may equally apply), all of which sets forth and is wholly consistent with applicable law:

(i) The indebtedness evidenced and ordered to be paid by the 2001-B GO Warrants constitutes, and with respect to the New Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the 2001-B GO Warrants, and the New Warrants once issued, as they become due.

(ii) Revenues legally available to the County for payment of debt service on the 2001-B GO Warrants include, and with respect to the New Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The 2001-B GO Warrants constitute, and the New Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the 2001-B GO Warrants, and the New Warrants once issued, in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the 2001-B GO Warrants, the Indenture, and the Standby Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

(c) The County will make reasonable efforts to have the New Warrants rated by one or more nationally recognized credit rating organizations.

(d) The Parties will negotiate reasonably and in good faith all of the relevant documents and transactions described in, contemplated by, or accompanying an Acceptable Plan, including the New Indenture.

Section 3. Additional Commitments of the Parties Under this Agreement.

3.1. Support of an Acceptable Plan.

Subject to the terms of this Agreement, including, without limitation, Sections 7.1 and 7.2, each of the Indenture Trustee, BLB, and JPMorgan agrees that, so long as this Agreement has not been terminated in accordance with its terms, the Indenture Trustee, BLB, and JPMorgan, as applicable, shall:

(a) not directly or indirectly solicit, support, prosecute, encourage, or respond in the affirmative to any other proposal or offer of refinancing, reorganization, or restructuring of the 2001-B GO Warrants or the GO Swap Agreement Claim that could reasonably be expected to hinder, block, prevent, delay, or impede the formulation, proposal, or confirmation of an Acceptable Plan;

(b) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the restructuring proposal contemplated by this Agreement and an Acceptable Plan;

(c) not seek or support appointment of a trustee for the County or dismissal of the Bankruptcy Case; and

(d) not take any other action inconsistent with the restructuring proposal contemplated by this Agreement and an Acceptable Plan.

3.2. Transfer of Claims.

(a) Each of BLB and JPMorgan hereby agrees that it shall not sell, transfer, loan, issue, pledge, hypothecate, assign, or otherwise dispose of (each such action, a "Transfer"), directly or indirectly, all or any of its 2001-B GO Warrants or the GO Swap Agreement Claim, or claims against the County directly related thereto (or any voting rights associated therewith), as applicable, unless the transferee thereof agrees in writing to assume and be bound by this Agreement and delivers such writing to each of the Parties within five (5) business days of the relevant Transfer (each such transferee becoming, upon a Transfer, a Party hereunder). Any Transfer of any claim against the County that does not comply with the procedure set forth in the first sentence of this Section 3.2(a) shall be deemed void *ab initio*.

(b) Unless and until all 2001-B GO Warrants or the GO Swap Agreement Claim, or claims against the County directly related thereto are transferred, the transfer of any 2001-B GO Warrant or the GO Swap Agreement Claim or claim directly related thereto against the County shall not release the transferor from any of its other obligations and duties hereunder.

3.3. Further Acquisition of Claims.

This Agreement shall in no way be construed to preclude BLB or JPMorgan from acquiring additional 2001-B GO Warrants or claims against the County directly related thereto;

provided, however, that any additional 2001-B GO Warrants or claims against the County directly related thereto acquired by BLB or JPMorgan, as applicable, shall automatically be deemed to be subject to the terms of this Agreement, including, without limitation, the voting requirements set forth in Section 1 hereof.

3.4. Most Favored Nation Rights.

Notwithstanding anything in this Agreement to the contrary, a plan of adjustment will be an Acceptable Plan only if the Series 2001-B GO Class is treated no less favorably than any other class of creditors in which the claims of any insurer of any of the County's other general obligation warrants are classified under the plan, in respect of each of the following categories:

(a) percentage recovery of interest accruing during the period between the Petition Date and the Effective Date, including but not limited to any payment of such interest under a financial guaranty insurance policy and interest accruing on amounts paid under such policies, determined on the basis of each of (i) the non-default interest rate under any agreement, (ii) the default interest rate under any agreement, and (iii) total non-default and default interest payable under any agreement; and

(b) percentage recovery of the aggregate claims that could be asserted by creditors in the applicable class, including principal, interest, and professional fees and expenses, in each case as determined under any pre-bankruptcy agreement.

Section 4. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legal, valid, and binding obligation of such Party, and the actions to be taken by each Party are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery and performance by such Party of this Agreement does not and shall not: (i) violate the provision of law, rule, or regulations applicable to such Party; (ii) violate its certificate of incorporation, bylaws, or other organizational documents; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 and except for the Jefferson County Commission, the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. Any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory

body that is required before the Jefferson County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the execution and delivery of this Agreement.

Section 5. Reservation of Rights.

This Agreement and any Acceptable Plan are part of a proposed settlement of disputes among the Parties relating to the 2001-B GO Warrants and the GO Swap Agreement Claim. Except as expressly provided in this Agreement, nothing herein is intended to, does, or shall be deemed in any manner to waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies, and interests. Without limitation, each of the Indenture Trustee, BLB, and JPMorgan reserves all of its rights and remedies in the event that the County files a plan of adjustment that is not an Acceptable Plan, or if the County withdraws an Acceptable Plan or modifies an Acceptable Plan so that it is no longer an Acceptable Plan. Subject to the provisions of Federal Rule of Bankruptcy Procedure 3018(a) (“Rule 3018(a)”), each of BLB and JPMorgan may revoke, modify, or withdraw its vote to accept an Acceptable Plan upon the occurrence of a Termination Event under Section 7.1 or Section 7.2 hereof, and the County agrees (i) that any request to revoke, modify, or withdraw a vote on such grounds constitutes “cause” for purposes of Rule 3018(a) and (ii) not to oppose any motion or request that may be filed by BLB or JPMorgan under Rule 3018(a) following the occurrence of a Termination Event under Section 7.1 or Section 7.2 hereof. Nothing herein shall be deemed an admission of any kind. Nothing in this Agreement shall constitute a modification or amendment of the Indenture, the Standby Agreement, or the GO Swap Agreement. Without limiting the foregoing, if this Agreement shall terminate in accordance with Section 7.1 or Section 7.2 hereof, JPMorgan reserves all rights to contend (and all other Parties reserve all rights to dispute) that the GO Swap Agreement Claim represents a claim with rights under Section 215 with respect to the proceeds of the Special Tax on a parity with the 2001-B GO Warrants, and that the GO Swap Agreement Claim should receive treatment under any plan of adjustment on parity and consistent with the treatment provided in respect of any other claim with rights under Section 215 with respect to the proceeds of the Special Tax.

Section 6. Acknowledgments.

This Agreement is the product of good faith, arm’s length negotiations among the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

Section 7. Termination.

7.1. General Termination Events.

The term "Termination Event," wherever used in this Agreement, means the occurrence of any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

- (i) the Bankruptcy Case shall have been dismissed;
- (ii) any court shall enter a final, non-appealable judgment or order declaring this Agreement to be unenforceable;
- (iii) the Parties are unable to agree on the form of the New Indenture, the New Warrants, and any related documents prior to solicitation of votes on an Acceptable Plan and a Party delivers written notice (a "Notice of Termination") to the other Parties in accordance with Section 9.10 hereof, informing the other Parties of the termination of this Agreement;
- (iv) the County (a) determines to or does file a plan that is not an Acceptable Plan, (b) withdraws an Acceptable Plan, or (c) modifies an Acceptable Plan such that it is no longer an Acceptable Plan (none of which, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, will constitute a breach of this Agreement) and, in the case of clauses (a) and (c) above, the Indenture Trustee or either of the Banks delivers a Notice of Termination to the County in accordance with Section 9.10 hereof, informing the County of the termination of this Agreement;
- (v) the Bankruptcy Court denies confirmation of an Acceptable Plan;
- (vi) the Effective Date does not occur on or before December 31, 2013, and the Indenture Trustee or either of the Banks delivers a Notice of Termination to the County in accordance with Section 9.10 hereof, informing the County of the termination of this Agreement; or
- (vii) any Party has breached any material provision of this Agreement and any such breach remains uncured, or not waived in writing by each of the other Parties, for a period of ten (10) calendar days after any non-breaching Party has delivered a Notice of Termination with respect to such breach (specifically referencing this Section 7.1(vii)) to the breaching Party in accordance with Section 9.10 hereof.

7.2. JPMorgan Additional Termination Event.

In addition to the Termination Events set forth in Section 7.1, JPMorgan shall have the right at any time to terminate this Agreement by delivering a Notice of Termination to the other Parties (which termination shall be effective upon receipt of such Notice of Termination in the case of clauses (i), (ii) or (iii) below, and seven (7) calendar days after receipt of such Notice of Termination (subject to the right of JPMorgan to rescind such Notice of Termination) in the case of clause (iv) below) if (i) a plan of adjustment (including an Acceptable Plan) filed by the County fails to provide for (a) the consensual allowance and treatment of the claims of JPMorgan (including claims of its affiliates) against the County other than on account of the 2001-B GO Warrants and the GO Swap Agreement Claim, including, without limitation, claims arising under or in connection with the County's special revenue sewer warrants (the "Sewer Warrants") issued pursuant to that certain *Trust Indenture*, dated as of February 1, 1997, between the County and The Bank of New York Mellon, as indenture trustee (as amended, the "Sewer Warrant Indenture"), and (b) the consensual settlement and release of any litigation, claims, causes of action or avoidance actions (including those arising under the Bankruptcy Code or nonbankruptcy law) against JPMorgan or its affiliates relating to the Sewer Warrants, the County's sewer system, the Sewer Warrant Indenture, or any transactions related thereto, in each case under clauses (a) and (b) that is acceptable to JPMorgan in its sole discretion (such allowance, treatment, settlement, and release, collectively, an "Acceptable Sewer Treatment"); (ii) any plan support agreement between the County and JPMorgan providing for an Acceptable Sewer Treatment is terminated, or the County indicates its intention (or JPMorgan determines that the County intends) to file a plan of adjustment (including an Acceptable Plan) that fails to provide for an Acceptable Sewer Treatment; (iii) the County withdraws a plan of adjustment (including an Acceptable Plan) that provides for an Acceptable Sewer Treatment; or (iv) the County modifies a plan of adjustment (including an Acceptable Plan) so that such plan of adjustment (including an Acceptable Plan) no longer provides for an Acceptable Sewer Treatment.

If any of the foregoing Termination Events set forth in Sections 7.1 or 7.2 occur and, if applicable, a Notice of Termination is delivered to the appropriate Party or Parties in accordance with Section 9.10 hereof, then this Agreement shall terminate as to all Parties. For the avoidance of doubt, if JPMorgan terminates this Agreement under Section 7.2, the County reserves all of its rights with respect to the terms that may be included in any plan of adjustment, including, without limitation, with respect to the classification and treatment of any claims of JPMorgan, BLB, or the Indenture Trustee.

The foregoing Termination Events set forth in Sections 7.1 or 7.2 are intended solely for the benefit of the Parties; *provided, however*, that no Party may terminate this Agreement based upon a material breach arising solely out of its own actions or omissions.

7.3. Consent to Termination.

This Agreement shall be terminated immediately upon written agreement of all the Parties to terminate this Agreement; *provided, however*, that such termination of this Agreement

shall not restrict the Parties' rights and remedies with respect to any prior breach of this Agreement by any Party.

7.4. Effect of Termination.

If this Agreement is terminated, then this Agreement will forthwith become null and void as to all Parties, and there will be no continuing liability or obligation on the part of any Party hereunder as of the date of such termination, except as otherwise provided in Section 7.3.

Section 8. Effectiveness of this Agreement.

This Agreement shall become effective once duly executed by each Party. Notwithstanding the foregoing, the provisions of any Acceptable Plan shall become effective only on the Effective Date.

Section 9. Miscellaneous Terms.

9.1. Binding Obligation; Savings Clause.

Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective successors, assigns, and representatives. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement by the Parties to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable laws, and to the extent any provision shall be construed as constituting such a violation, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties.

9.2. Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

9.3. Governing Law; Venue and Service.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties hereby irrevocably submits to the personal jurisdiction of

the Bankruptcy Court solely for purposes of the foregoing sentence and irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 9.10 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

9.4. Complete Agreement; Interpretation; Modification and Waiver.

(a) This Agreement constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, among the Parties with respect thereto; *provided, however*, that the Indenture, the Standby Agreement, and the GO Swap Agreement shall remain in full force and effect in accordance with their terms (but subject to all limitations now existing under the Bankruptcy Code or otherwise as a result of the commencement of the Bankruptcy Case) until the Effective Date.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may only be modified, altered, amended, or supplemented by an agreement in writing signed by each Party. No waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless the same is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

9.5. Specific Performance.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in addition to any other remedies, each Party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without regard to anything to the contrary contained in applicable law. Each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy. Each Party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached.

9.6. Execution of this Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

9.7. Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

9.8. Settlement Discussions.

This Agreement and the restructuring proposal contemplated by an Acceptable Plan are part of a proposed settlement of disputes among the Parties relating to the 2001-B GO Warrants and the GO Swap Agreement Claim. Nothing herein shall be deemed an admission of any kind. If the transactions contemplated herein are not consummated, or following the occurrence of a Termination Event as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

9.9. Legal and Other Fees.

Except as set forth in Section 1(g) of this Agreement with respect to the Indenture Trustee, all of the Parties shall bear their own respective costs and expenses, including legal and other professional fees, associated with the negotiation and implementation of this Agreement.

9.10. Notices.

All notices hereunder (including, without limitation, any Notice of Termination), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to the Indenture Trustee:

Wells Fargo Bank, National Association
Corporate Trust Services
MAC #N9311-115
625 Marquette Avenue, 11th Floor
Minneapolis, MN 55479
Attn: Gavin Wilkinson
Facsimile: (612) 667-5047
Email: Gavin.Wilkinson@wellsfargo.com

-and-

Reed Smith LLP
Reed Smith Centre
225 Fifth Avenue, Suite 1200
Pittsburgh, Pennsylvania 15222
Attn: Eric A. Schaffer, Esq.
Facsimile: (412) 288-3063
Email: eschaffer@reedsmith.com

If to BLB:

BayernLB
560 Lexington Avenue
New York, New York 10022
Attn: Joseph Campagna
Facsimile: (212) 230-9114
Email: jcampagna@bayernlb.com

-and-

Venable LLP
Rockefeller Center
1270 Avenue of the Americas
The Twenty-Fourth Floor
New York, New York 10020
Attn: Edward A. Smith, Esq.
Facsimile: (212) 307-5598
Email: EASmith@Venable.com

If to JPMorgan:

JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attn: William A. Austin
Facsimile: (212) 622-4556
Email: william.a.austin@jpmchase.com

-and-

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attn: Steve M. Fuhrman, Esq.
Facsimile: (212) 455-2502
Email: sfuhrman@stblaw.com

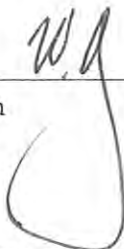
Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By: W.D. Carrington
Its: President



**WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS INDENTURE TRUSTEE**

By:
Its:

**BAYERISCHE LANDESBANK,
NEW YORK BRANCH**

By:
Its:

By:
Its:

JPMORGAN CHASE BANK, N.A.

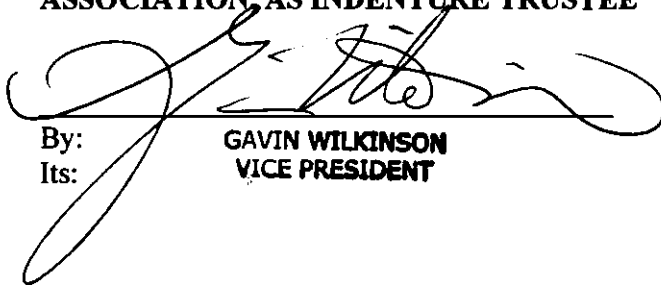
By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS INDENTURE TRUSTEE**



By: **GAVIN WILKINSON**
Its: **VICE PRESIDENT**

**BAYERISCHE LANDESBANK,
NEW YORK BRANCH**

By:
Its:

By:
Its:

JPMORGAN CHASE BANK, N.A.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS INDENTURE TRUSTEE**

By:
Its:

**BAYERISCHE LANDESBANK,
NEW YORK BRANCH**



By: JOSEPH C. CAMPAGNA
Its: SENIOR VICE PRESIDENT



By: PATRICIA M. HEALY
Its: FIRST VICE PRESIDENT

JPMORGAN CHASE BANK, N.A.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, AS INDENTURE TRUSTEE**


By:
Its:

**BAYERISCHE LANDESBANK,
NEW YORK BRANCH**

By:
Its:

By:
Its:

JPMORGAN CHASE BANK, N.A.



By: WILLIAM A. AUSTIN
Its: EXECUTIVE DIRECTOR

Exhibit A

Amortization Schedule for New Warrants

Issued on Account of BLB Claims

Payment Date	Principal Repayment of 2001- B GO Warrants	Pre-Petition Non- Default Interest on 2001-B GO Warrants	Reconciliation of Principal Amounts	Total Paid on Effective Date
Effective Date		\$ 62,086.62	\$ 392.55	\$ 62,479.17
4/1/2014	\$ 5,590,000.00			
4/1/2015	5,905,000.00			
4/1/2016	6,170,000.00			
4/1/2017	6,445,000.00			
4/1/2018	6,735,000.00			
4/1/2019	7,025,000.00			
4/1/2020	7,340,000.00			
4/1/2021	7,665,000.00			
Total	\$ 52,875,000.00	\$ 62,086.62	\$ 392.55	\$ 62,479.17

Issued on Account of JPMorgan Claims

Payment Date	Principal Repayment of 2001- B GO Warrants	Pre-Petition Non- Default Interest on 2001-B GO Warrants	Reconciliation of Principal Amounts	Total Paid on Effective Date
Effective Date		\$ 61,205.05	\$ (392.55)	\$ 60,812.50
4/1/2014	\$ 5,510,000.00			
4/1/2015	5,825,000.00			
4/1/2016	6,080,000.00			
4/1/2017	6,350,000.00			
4/1/2018	6,635,000.00			
4/1/2019	6,930,000.00			
4/1/2020	7,235,000.00			
4/1/2021	7,560,000.00			
Total	\$ 52,125,000.00	\$ 61,205.05	\$ (392.55)	\$ 60,812.50

PLAN SUPPORT AGREEMENT

THIS PLAN SUPPORT AGREEMENT DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN OR A SOLICITATION OF VOTES TO ACCEPT OR REJECT ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED OR MADE UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT RESPECTING A PLAN

This PLAN SUPPORT AGREEMENT (as it may be amended or supplemented from time to time in accordance with the terms hereof, this "Agreement"), dated as of July 24, 2013, is made and entered into by and between Jefferson County, Alabama (the "County"), on the one hand, and Lehman Brothers Special Financing Inc. ("LBSF"), on the other hand. Each of LBSF and the County are referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, pursuant to a Trust Indenture, dated as of February 1, 1997 (as supplemented by eleven supplemental indentures through the date hereof, the "Indenture"), between the County and The Bank of New York Mellon, as indenture trustee and successor to AmSouth Bank of Alabama (in such capacity, the "Trustee"), the County issued approximately \$3.6 billion principal amount of warrants secured by the net revenues of the County's sewer system (the "Sewer Warrants");

WHEREAS, in connection with the issuance of certain series of the Sewer Warrants, the County and LBSF entered into that certain *ISDA Master Agreement* dated as of October 23, 2002 (as subsequently amended via an amendment dated as of September 14, 2006, and together with all schedules, annexes, and confirmations related thereto, the "Swap Agreement");

WHEREAS, on November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy 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");

WHEREAS, LBSF has filed a proof of claim (in duplicate) and an amended proof of claim (designated as claim numbers 878, 1148, and 1368) in the Bankruptcy Case against the County asserting rights to be paid various amounts arising from or in connection with the Swap Agreement, including (i) an asserted claim of \$1,002,754.42, which allegedly represents the net total periodic payments that had accrued and were due to LBSF at the time of the termination of the Swap Agreement, plus interest thereon through the petition date for a total asserted claim of \$1,656,230.21 (the "Periodic Payment Claim"); (ii) an asserted claim of \$67,225,730.00, which allegedly represents the amount due and payable under and as a result of termination of the Swap Agreement, plus interest thereon through the petition date for a total asserted claim of \$100,561,405.06 (the "Termination Claim"); and (iii) other asserted unliquidated amounts purportedly due under the Swap Agreement or the Bankruptcy Code (collectively with the Periodic Payment Claim, the Termination Claim, and any and all other claims of LBSF, whatever the origin or nature, the "LBSF Claims");

WHEREAS, the County disputes LBSF's entitlements with respect to certain of the LBSF Claims (including with respect to the allowability, secured status, amount, and priority of such claims), and LBSF disputes the County's contentions and asserts that the LBSF Claims are valid and allowable in all respects;

WHEREAS, on October 18, 2012, LBSF commenced a declaratory relief action against the Trustee and the County styled as *Lehman Brothers Special Financing Inc. v. The Bank of New York Mellon, as Indenture Trustee, and Jefferson County, Alabama (In re Jefferson County, Alabama)*, Adversary Proceeding No. 12-00149-TBB (Bankr. N.D. Ala.) (the "Lehman Adversary"), which Lehman Adversary remains pending;

WHEREAS, on June 30, 2013, the County filed a chapter 9 plan of adjustment (the "Current Plan") and accompanying disclosure statement (the "Current Disclosure Statement");

WHEREAS, counsel for LBSF has indicated that LBSF intends to object to approval of the Current Disclosure Statement and to confirmation of the Current Plan including, among other reasons, because the Current Plan purportedly does not properly classify or treat the Periodic Payment Claim;

WHEREAS, the Parties and their representatives have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of disputes among them and, subject to the terms and conditions set forth herein, each Party has agreed to support and implement a restructuring transaction (a "Restructuring") in accordance with the terms and conditions described herein;

WHEREAS, the County previously in connection with the Sewer Warrants and claims related thereto entered into three other plan support agreements dated as of June 6, 2013, and a fourth other plan support agreement dated as of June 27, 2013 (collectively, the "Other Sewer PSAs");

WHEREAS, the Parties recognize that this Agreement is subject to and limited by the solicitation requirements of applicable bankruptcy law;

NOW, THEREFORE, in consideration of the foregoing and the promises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Restructuring and Plan Support.

(a) The County shall modify the Current Plan so that it is an Acceptable Plan. An "Acceptable Plan" means a chapter 9 plan of adjustment that:

(i) classifies the Periodic Payment Claim in a class that is separate from the class in which the Termination Claim and any other LBSF Claims are classified, and

provides that the Periodic Payment Claim will be allowed on the effective date of the Acceptable Plan (the “Effective Date”);

(ii) provides that LBSF will receive a cash recovery of \$1,250,000.00 on the Effective Date in full, final, and complete settlement, satisfaction, release, and exchange of the Periodic Payment Claim;

(iii) provides that the Termination Claim and any other LBSF Claims are not expected to receive any recovery on account of the subordinated status of such claims (for the avoidance of doubt, the treatment of Class 1-E in the Current Plan with respect to the Termination Claim and any other LBSF Claims constitutes appropriate treatment under this clause 1(a)(iii) and any similar treatment will render a plan an Acceptable Plan);

(iv) includes LBSF among the “Sewer Released Parties” that will give and receive broad releases under the plan;

(v) includes a requirement that, unless otherwise waived, the Effective Date shall occur on or before December 31, 2013; and

(vi) in connection with the occurrence of the Effective Date, provides for the dismissal of the Lehman Adversary.

(b) LBSF shall (i) support confirmation of an Acceptable Plan; (ii) subject to Bankruptcy Code sections 1125 and 1126, timely vote all LBSF Claims that are entitled to vote on the plan to accept an Acceptable Plan and not change or withdraw (or cause to be changed or withdrawn) such vote except pursuant to Section 6.4; and (iii) subject to the occurrence of the Effective Date, provide a release of all Sewer Released Parties and receive a release from all Sewer Released Parties, in each case with respect to all “Sewer Released Claims” as such term is defined in an Acceptable Plan (which definition will be substantially similar to that set forth in Exhibit A hereto), in accordance with an Acceptable Plan. For the avoidance of doubt, such releases shall not release any rights of LBSF under this Agreement or an Acceptable Plan.

(c) This Agreement is not and shall not be deemed to be a solicitation of or votes for the acceptance or rejection of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. There will be no solicitation of acceptances of LBSF or any other creditors with respect to an Acceptable Plan until such parties have received a disclosure statement, any supplements thereto, and related ballot, in each case as approved by the Bankruptcy Court. Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

Section 2. Litigation Standstill.

(a) LBSF and the County will seek to obtain a stay of the Lehman Adversary pending the Effective Date or termination of this Agreement, whichever is earlier.

(b) Each Party agrees that it shall (i) not commence any new litigation against any other Party or any party to the Other Sewer PSAs that is related to the County, the Bankruptcy Case, the Sewer Warrants (including any financing or other transactions entered into in connection therewith), or the Swap Agreement (in each case, whether pending before the Bankruptcy Court or before any other court), but excluding any litigation to enforce, interpret, or implement this Agreement, an Acceptable Plan, the Restructuring, or any document executed in connection therewith; and (ii) take no action inconsistent with the Restructuring contemplated by this Agreement and an Acceptable Plan.

Section 3. Representations and Covenants Regarding Claims.

(a) LBSF represents that as of the date of this Agreement, it has made no prior Transfer (as defined below), and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any LBSF Claims that are inconsistent with, or in violation of, the representations and warranties of LBSF herein, in violation of its obligations under this Agreement or that would adversely affect in any way LBSF's performance of its obligations under this Agreement at the time such obligations are required to be performed.

(b) LBSF covenants that, from the date hereof until the termination of this Agreement in accordance with Section 6 of this Agreement, it will not sell, pledge, hypothecate, or otherwise transfer, assign or dispose of any of its LBSF Claims, or grant any option, right to acquire, or voting, participation, or other interest therein to any person or entity (any such transfer, disposition, or grant, a "Transfer"), unless the transferee thereof agrees in writing to assume and be bound by this Agreement, agrees to assume the obligations of LBSF under this Agreement, and delivers such writing to each of the Parties within two (2) business days of the relevant Transfer (each such transferee becoming, upon a Transfer, a Party hereunder). Any attempt to Transfer any LBSF Claims or related rights or interests therein from the date hereof until the termination of this Agreement in accordance with Section 6 of this Agreement shall be deemed ineffective, including with regard to any right to accept or reject an Acceptable Plan or the Restructuring, and shall be deemed void *ab initio*.

Section 4. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to Bankruptcy Code sections 1125 and 1126 (in the case of LBSF), this Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, and the actions to be taken by such Party, including in respect of the Restructuring contemplated by this Agreement, are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery, and performance of this Agreement by such Party does not and shall not: (i) violate any law, rule, or regulation applicable to such Party or any of its subsidiaries, as applicable; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries, as applicable; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries, as applicable, is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 (in the case of LBSF), and the approval by the County Commission (in the case of the County, which approval has been obtained as set forth below), the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body. The County represents that any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body that is required before the County Commission can execute, deliver, and perform this Agreement shall have been completed, received, or given, as the case may be, prior to the County's execution and delivery of this Agreement, and the County Commission has duly approved and authorized the execution, delivery, and performance of this Agreement by the County.

Section 5. Support Commitments.

In connection with the agreement of LBSF to support confirmation and consummation of an Acceptable Plan and consummation of the Restructuring, as long as this Agreement has not been terminated in accordance with Section 6, LBSF shall:

(a) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the Restructuring contemplated by this Agreement and an Acceptable Plan, including the treatment set forth in the Current Plan of Class 1-E with respect to the Termination Claim and any LBSF Claims other than the Periodic Payment Claim;

(b) not seek or support appointment of a trustee for the County under Bankruptcy Code section 926(a) or dismissal of the Bankruptcy Case;

(c) to the extent available, without any Party conceding its applicability or its inapplicability, not make or affirmatively reject any election for the application of Bankruptcy Code section 1111(b)(2) to any claims arising from or in connection with the Indenture or the Swap Agreement;

(d) not seek or support the reinstatement of control over the sewer system or sewer rate-setting in the receiver appointed by the Alabama state court or any other receiver; and

(e) take no action (directly or indirectly) that is inconsistent with this Agreement or an Acceptable Plan, or that would delay or otherwise impede approval of the disclosure statement for an Acceptable Plan or the expeditious confirmation and consummation of an Acceptable Plan or consummation of the Restructuring.

Section 6. Termination & Default.

6.1. Events of Termination & Default.

(a) The County and LBSF may together terminate this Agreement by written agreement.

(b) If any governmental authority, including the Bankruptcy Court or any other regulatory authority or court of competent jurisdiction, enters any final, non-appealable ruling, or order enjoining the consummation of a material portion of the Restructuring, makes a final, non-appealable determination that, or issues a final, non-appealable judgment, order, decree, or ruling to the effect that this Agreement or any material provision of this Agreement or any related document is illegal, invalid, or unenforceable, or enters a final, non-appealable judgment, order, decree, or ruling denying confirmation of an Acceptable Plan, then LBSF or the County may terminate this Agreement by written notice to each other Party.

(c) If LBSF materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof from the County, then, subject to such Party's rights under Section 6.2(a), the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(d) If the County materially breaches this Agreement and does not remedy such breach within fifteen (15) calendar days of receiving written notice thereof or within such other period that may be specified elsewhere in this Section 6.1 in the case of any other specified material breach by the County, then LBSF may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(e) If the County withdraws, files a motion or pleading to withdraw, or publicly announces its intention not to pursue, an Acceptable Plan, or proposes or files a motion with the Bankruptcy Court seeking approval of a plan that is not an Acceptable Plan, or the County modifies an Acceptable Plan such that it is no longer an Acceptable Plan and does not remedy or rescind such action within ten (10) calendar days of receiving written notice thereof, then LBSF may terminate this Agreement by giving a second written notice to each other Party within fifteen (15) calendar days of the first written notice.

(f) If the County files any motion, pleading, and/or disclosure statement that, in the reasonable judgment of LBSF, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of LBSF under this Agreement or an Acceptable Plan and does not remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from LBSF, then LBSF may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(g) If LBSF files any motion or pleading that, in the reasonable judgment of the County, is materially inconsistent with an Acceptable Plan or adversely affects a right, obligation, or interest of the County under this Agreement or an Acceptable Plan, and does not

remedy or rescind such action within fifteen (15) calendar days of receiving written notice thereof from the County, then the County may terminate this Agreement by giving a second written notice to each other Party within twenty (20) calendar days of the first written notice.

(h) If (i) the Bankruptcy Case is dismissed or (ii) control over the sewer system or sewer rate-setting is reinstated in the receiver appointed by the Alabama state court or any other receiver, then the County or LBSF may terminate this Agreement by giving written notice to each other Party at any time thereafter.

(i) If any of the Other Sewer PSAs shall have been terminated or is no longer in full force and effect, then the County or LBSF may by written notice to each other Party terminate this Agreement at any time thereafter.

(j) If any condition precedent to confirmation or the Effective Date of an Acceptable Plan is not satisfied, then the County or LBSF may give written notice of such failure of condition to each other Party and may terminate this Agreement by giving a second written notice to each other Party after the expiration of ten (10) calendar days after such first written notice unless, before the expiration of such ten (10) calendar days, the condition is satisfied or, if waiveable, has been waived in accordance with the terms of such Acceptable Plan.

(k) If not previously terminated in accordance with the provisions hereof, this Agreement shall terminate automatically without further required action or notice upon the Effective Date of an Acceptable Plan.

Each of the foregoing events set forth in subsections (a) through (k) entitling a Party or Parties to terminate or amend this Agreement, as applicable, shall constitute a “Trigger Event.”

6.2. Trigger Event Notices.

(a) Each Party receiving a notice asserting that a Trigger Event has occurred may challenge the accuracy or validity of such notice by commencing a proceeding in Bankruptcy Court within seven (7) calendar days of receiving such notice. All Parties consent to an expedited hearing of any such proceeding. For the avoidance of doubt, this Section 6.2(a) shall only apply to Sections 6.1(b)-(g) and (j), and a Trigger Event under all other clauses of Section 6.1 will result in termination of this Agreement in accordance with the express terms of the Trigger Event.

(b) The failure of one or more Parties to give a second notice required under Section 6.1 within the time specified for giving such notice (solely to the extent applicable) shall constitute a waiver of the right of such Party or Parties to terminate this Agreement based on the event specified in the first notice (but shall not constitute a waiver with respect to any future new event). Such a potential waiver shall apply only to Trigger Events in Sections 6.1(c)-(g) and (j), and not the other Trigger Events in Section 6.1.

(c) Each Party hereby waives any requirement under Bankruptcy Code sections 362 or 922 to lift the automatic stays thereunder for purposes of providing a first or

second notice of a Trigger Event or termination of this Agreement (and agrees not to object to any non-breaching Party seeking, if necessary, to lift such automatic stays in connection with the provision of any such notice) or commencing a proceeding in the Bankruptcy Court with respect thereto; *provided, however*, that nothing in this Section 6.2(c) shall prejudice any Party's rights to argue that the notice of a Trigger Event or termination of this Agreement was not proper under the terms of this Agreement.

6.3. Benefits of Termination.

The foregoing Trigger Events are intended solely for the benefit of the specified Parties; *provided, however*, that no Party may terminate this Agreement based upon a breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions. Other than as contemplated in Section 6.2(b), a Trigger Event may be waived only by the Party for whose benefit such a Trigger Event exists.

6.4. Effect of Termination.

Upon termination of this Agreement in accordance with Section 6.1, the obligations and agreements of each Party under this Agreement shall terminate and be of no further force and effect other than those obligations and agreements that expressly survive the termination of this Agreement as set forth in Section 7.12; *provided, however*, that any claim for breach of this Agreement shall survive termination and all rights and remedies with respect to such breach shall be neither waived nor prejudiced in any way by any such termination. Upon termination of this Agreement in accordance with Section 6.1 (other than a termination under Section 6.1(k)), any and all ballots with respect to an Acceptable Plan delivered by LBSF prior to such date of termination shall be immediately withdrawn, and such ballots shall be deemed to be null and void for all purposes and shall not be considered or otherwise used in any manner.

Section 7. Miscellaneous Terms.

7.1. No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

7.2. Effectiveness of Agreement; Savings Clause.

This Agreement shall become effective once (i) duly executed by the County after being duly approved by the County Commission and (ii) duly executed by LBSF. Notwithstanding the foregoing, the treatment under an Acceptable Plan shall become effective only on the Effective Date. If any provision hereof is construed to constitute an agreement to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable law, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties and without constituting a Trigger Event except as provided in Section 6.1(b), and

shall not affect the validity, legality, or enforceability of any other provision of this Agreement unless the deletion of such provision results in the Plan no longer being an Acceptable Plan.

7.3. Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

7.4. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO THE “CHOICE OF LAW” PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court, which shall have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 7.11 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

7.5. Complete Agreement; Interpretation; Amendment, Modification and Waiver.

(a) This Agreement, together with all exhibits and schedules attached hereto, constitutes the complete agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect to the subject matter hereof.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret this Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may not be modified, amended, or supplemented except in a writing signed by the County and LBSF.

(d) Other than waivers contemplated by Section 6.2(b), no waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless that waiver is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

7.6. Specific Performance.

This Agreement is intended as a binding commitment enforceable in accordance with its terms. Each Party acknowledges and agrees that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain at the time of entering into this Agreement and that any such breach of this Agreement would result in damages that would be difficult to determine with certainty. It is understood and agreed that any non-breaching Party shall be entitled to seek specific performance, mandamus, and injunctive relief as its sole remedies for any such breach, and each Party further agrees to waive, and to cause each of their representatives to waive, any requirement for the securing or posting of any bond in connection with requesting such remedy. Such remedies shall be the exclusive remedies for the breach of this Agreement by any Party.

7.7. Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Agreement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Agreement. Each Party represents that each individual executing this Agreement on behalf of such Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party

7.8. Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospects of the County.

7.9. Settlement Discussions.

This Agreement and the Restructuring are part of a proposed settlement of claims and disputes among the Parties and are the product of good faith, arm's length negotiations among the Parties and their respective representatives. Nothing herein shall be deemed an admission of any kind and no act or agreement in furtherance of the provisions hereof shall be construed in any way as an admission of fault, wrongdoing, or liability on the part of any Party; *provided, however*, that, consistent with the final two sentences of this Section 7.9, this Agreement may be admitted for the purposes identified therein. If the transactions contemplated herein are not consummated, or following the termination of this Agreement as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights other than as set forth in the final two sentences of this Section 7.9. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce or interpret the terms of this Agreement. Subject to any otherwise applicable rules in the Federal Rules of Evidence (other than Federal Rule of Evidence 408), this Agreement may be admitted into

evidence in any proceeding arising as a result of or in connection with a Party's breach of this Agreement or in which breach of this Agreement is alleged as a relevant fact.

7.10. Successors and Assigns; Severability.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

7.11. Notices.

All notices hereunder (including any termination notice), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 731-2879

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babbc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kkle@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to LBSF:

Lehman Brothers Holdings Inc.
1271 Avenue of the Americas, 40th Floor New York, NY 10020
Attention: Derivatives Legal
Facsimile No.: (646) 285-9701
With mandatory copy to: core_cap_mo_mailbox@lehmanholdings.com

-and-

Christian & Small LLP
505 20th Street North, Suite 1800
Birmingham, Alabama 35203
Attn: James C. Huckaby, Jr., Esq.; Bradley R. Hightower, Esq.
Facsimile: (205) 328-7234
E-mail: JCHuckaby@csattorneys.com; BRHightower@csattorneys.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt. For the avoidance of doubt, any references in this Agreement to a “notice” shall mean a written notice sent in accordance with this Section 7.11.

7.12. Survival.

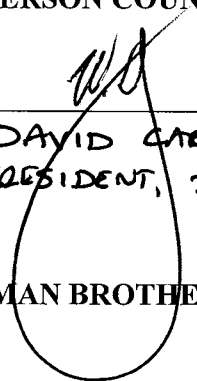
Notwithstanding any termination of this Agreement pursuant to Section 6.1 hereof, the agreements and obligations of the Parties in Sections 6.3, 6.4, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.8, 7.9, 7.10, 7.11, 7.13, and this Section 7.12 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

7.13. Use of “Including”.

Whenever this Agreement uses the word “including,” such reference shall be deemed to mean “including, without limitation.”

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



By: **DAVID CARRINGTON**
Its: **PRESIDENT, JEFFERSON COUNTY COMMISSION**

LEHMAN BROTHERS SPECIAL FINANCING INC.

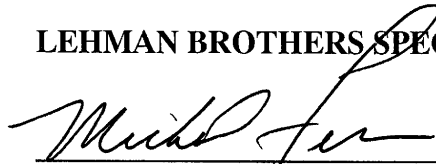
By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

LEHMAN BROTHERS SPECIAL FINANCING INC.



By: Michael Ferraro
Its: VP

Exhibit A

“Sewer Released Claims” means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the LBSF Periodic Payment Claim, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, the Put Agreement, the Tail Risk Payment Agreements, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (e) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks; or (v) the “LBSF Claims” referenced in Section 3 of the Sewer Plan Support Agreement between the County and LBSF); and (f) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

PLAN SUPPORT AGREEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT

This PLAN SUPPORT AGREEMENT (as it may be amended and supplemented from time to time, the "Agreement"), dated as of February 11, 2013, is made and entered into by and between Jefferson County, Alabama (the "County"), on the one hand, and Depfa Bank PLC ("Depfa"), on the other hand (each a "Party" and together, the "Parties").

RECITALS

WHEREAS, the County and Depfa are parties to that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005 (the "Standby Agreement");

WHEREAS, in connection with the performance of obligations under the Standby Agreement, Depfa has acquired and presently holds Limited Obligation School Warrants, Series 2005-B with an outstanding principal balance of \$162,475,000 as of the date of this Agreement (the "School Warrants"), which School Warrants were issued under that certain *Trust Indenture* dated as of December 1, 2004 (the "Indenture"), as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005 (the "First Supplemental Indenture");

WHEREAS, the Standby Agreement provides that interest will accrue on the School Warrants at a "Bank Rate" of interest equal to (A) the "Base Rate" plus 2.00%, or (B) from the earlier of (i) the date any amounts owed by the County under the Standby Agreement are not paid and (ii) the occurrence of an event of default, the "Base Rate" plus 3.00% (the "Standby Rate");

WHEREAS, on November 9, 2011, the County filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy 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");

WHEREAS, Depfa contends that certain prepetition defaults occurred under the Standby Agreement or the Indenture, and the County disputes such contentions;

WHEREAS, the Indenture Trustee (as defined below) notified the County of certain prepetition Events of Default under the Indenture in 2009, and the County disputes such contentions;

WHEREAS, the County contends that the Standby Rate is an improper rate of interest on the School Warrants under various provisions of the Bankruptcy Code, and Depfa disputes such contentions;

WHEREAS, the County has transferred \$21,294,939.38 (the “Early Redemption Amount”) to U.S. Bank National Association, a national banking association, as successor to SouthTrust Bank and Wachovia Bank, National Association, in its capacity as indenture trustee under the Indenture and the First Supplemental Indenture (the “Indenture Trustee”) for purposes of making mandatory redemption payments on account of either the School Warrants or the Limited Obligation School Warrants, Series 2005-A (the “Series 2005-A Warrants”) on or around March 1, 2013, pursuant to Section 9.1 of the Indenture (as modified by Section 1.5 of the First Supplemental Indenture) and Section 2.1(f) of the First Supplemental Indenture; and

WHEREAS, the Parties and their counsel have engaged in good faith, arms’ length settlement discussions regarding a consensual resolution of certain disputes among them and have reached agreement concerning, among other matters, the potential treatment of claims arising from the School Warrants in a chapter 9 plan of adjustment for the County and the disposition of the Early Redemption Amount.

NOW, THEREFORE, in consideration of the foregoing and the premises, mutual covenants, and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

Section 1. Disposition of the Early Redemption Amount.

(a) The County agrees to direct the Indenture Trustee to utilize the Early Redemption Amount to make mandatory redemptions of the School Warrants in March 2013, and not to take any action to interfere with such mandatory redemption by seeking to interpose the automatic stays of Bankruptcy Code sections 362(a) and 922(a) to such utilization.

(b) The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any portion of the Early Redemption Amount against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

Section 2. Disposition of Certain Future Tax Proceeds During the Chapter 9 Case.

(a) If future excess tax proceeds available for mandatory redemptions under the Indenture and the First Supplemental Indenture (“Future Tax Proceeds”) are collected during the pendency of the Bankruptcy Case, the County agrees to direct the Indenture Trustee to utilize such Future Tax Proceeds to make mandatory redemptions of the School Warrants on the next applicable redemption date.

(b) The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any portion of Future Tax Proceeds utilized for mandatory redemptions during the pendency of the Bankruptcy Case against the principal amount of the School Warrants

scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

Section 3. Agreed Terms of an Acceptable Plan.

The County shall propose an Acceptable Plan (as defined below), and Depfa agrees that, so long as it is the legal or beneficial owner of any School Warrants and has been properly solicited pursuant to Bankruptcy Code sections 1125 and 1126, it shall timely vote or cause to be voted (i) any and all claims arising from or in connection with such School Warrants, and (ii) any and all claims arising from or in connection with the Standby Agreement (and not revoke, modify, or withdraw that vote) to accept a chapter 9 plan that includes the following provisions (an “Acceptable Plan”):

(a) A single class will be separately classified and include (i) any and all claims arising from or in connection with the School Warrants, and (ii) any and all claims arising from or in connection with the Standby Agreement (the “Separate Class”).

(b) Commencing on the plan’s “Effective Date” and except as otherwise provided in the plan, each holder of claims in the Separate Class will on account of such holder’s claim retain such holder’s preexisting numbered School Warrants, which will be repaid on the terms and conditions set forth in the Standby Agreement, the Indenture, and the First Supplemental Indenture, in each case as modified by the plan in accordance with the terms hereof.

(c) Pursuant to Bankruptcy Code section 1123(a)(5)(F), the Standby Agreement will be modified in the following respects:

- (i) Effective as of August 31, 2013, the “Bank Rate” shall be defined to mean the Prime Rate plus 2.25% (the “New Bank Rate”).
- (ii) All Events of Default under the Standby Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such Event of Default. For the avoidance of doubt, and except as otherwise provided in Section 3(c)(iii) of this Agreement, the fact that an Event of Default existed at any time prior to, or at the time of, the effective date of this Agreement shall not give rise to any argument or claim that any future occurrence or re-occurrence of such type of Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All Events of Default that could result under the Standby Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013 and the plan’s “Effective Date” shall be deemed waived and of no further force or effect:

(a) the pendency of the Bankruptcy Case, (b) the pendency of a proceeding regarding the “Segregated Account” of Ambac Assurance Corporation (“Ambac”) in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (c) the County’s retention of \$3,756,625.75 (the “Retained Amount”) in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Bankruptcy Case notwithstanding any contrary provision of the Indenture or the First Supplemental Indenture. In addition, all Events of Default that could result under the Standby Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the plan’s “Effective Date” shall be deemed waived and of no further force or effect: (a) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court and (b) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

(d) Provided that no Events of Default (other than those waived pursuant to the provisions described in Section 3(c)(ii)-(iii) above) occur under the Standby Agreement, the Indenture, or the First Supplemental Indenture after February 11, 2013, each holder of claims in the Separate Class shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including, without limitation, under Ambac’s Financial Guaranty Insurance Policy number 23545BE (the “Policy”). For the avoidance of doubt, if any Events of Default (other than those waived pursuant to the provisions described in Section 3(c)(ii)-(iii) above) occur under the Standby Agreement, the Indenture, or the First Supplemental Indenture after February 11, 2013, the holders of claims in the Separate Class will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby Agreement from and after the occurrence of such Events of Default.

(e) The aggregate amount of any interest paid on account of claims in the Separate Class during the period between August 31, 2013 and the “Effective Date” of the plan at a rate higher than the New Bank Rate will be defined as the “True-Up Amount.” On the first interest payment date after the “Effective Date” of the plan, (i) the aggregate outstanding principal balance of the School Warrants will be reduced by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the School Warrants, and (ii) the remainder of the True-Up Amount after giving effect to the principal reduction referenced in clause (i) of this sentence will be subtracted from the interest otherwise payable on such interest payment date on account of the School Warrants.

(f) If Future Tax Proceeds are collected after the “Effective Date” of the plan, the County agrees to direct the Indenture Trustee to utilize such Future Tax Proceeds to make mandatory redemptions of the School Warrants on the next applicable redemption date. The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any

portion of Future Tax Proceeds utilized for mandatory redemptions after the “Effective Date” of the plan against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

(g) On the plan’s “Effective Date,” or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the Indenture and the First Supplemental Indenture.

(h) Except as otherwise specified above, the plan will not contain any modifications to the Indenture, the First Supplemental Indenture, or the Standby Agreement or anything else that would adversely affect the rights and remedies otherwise available to the holders of claims in the Separate Class.

Section 4. Additional Commitments of the Parties Under the Agreement.

4.1. Support of an Acceptable Plan.

Depfa agrees that, so long as this Agreement has not been terminated in accordance with its terms, Depfa shall:

(a) not directly or indirectly solicit, support, prosecute, encourage, or respond in the affirmative to any other proposal or offer of refinancing, reorganization, or restructuring of the County or the School Warrants, or any other transaction, that could reasonably be expected to hinder, block, prevent, delay, or impede the formulation, proposal, or confirmation of an Acceptable Plan;

(b) not object to, challenge, or otherwise commence or participate in any proceeding opposing any of the terms of the restructuring proposal contemplated by this Agreement and an Acceptable Plan;

(c) not seek or support appointment of a trustee for the County or dismissal of the Bankruptcy Case; and

(d) not take any other action inconsistent with the restructuring proposal contemplated by this Agreement and an Acceptable Plan.

4.2. Transfer of Claims.

(a) Depfa hereby agrees that it shall not sell, transfer, loan, issue, pledge, hypothecate, assign, or otherwise dispose of (each such action, a “Transfer”), directly or indirectly, all or any of its claims against the County, including any of the School Warrants (or any voting rights associated therewith), unless the transferee thereof agrees in writing to assume and be bound by this Agreement, agrees to assume the obligations of Depfa under this Agreement, and delivers such writing to each of the Parties within five (5) business days of the relevant Transfer (each such transferee becoming, upon a Transfer, a Party hereunder). Depfa

may Transfer its claims, rights, and obligations under the Indenture, First Supplemental Indenture, or Standby Agreement to an affiliate as long as such Transfer complies with the procedure set forth in the first sentence of this Section 4.2(a). Such Transfer by Depfa to an affiliate shall satisfy any consent required (if any) by the County under the Indenture, First Supplemental Indenture, or Standby Agreement. Any Transfer of any claim against the County that does not comply with the procedure set forth in the first sentence of this Section 4.2(a) shall be deemed void *ab initio*.

(b) Unless and until all claims against the County are transferred, the transfer of any claim against the County shall not release the transferor from any of its other obligations and duties hereunder.

4.3. Further Acquisition of Claims.

This Agreement shall in no way be construed to preclude Depfa from acquiring additional claims against the County; *provided, however*, that any additional claims against the County acquired by Depfa shall automatically be deemed to be subject to the terms of this Agreement, including, but not limited to, the voting requirements set forth in Section 3 hereof.

4.4. Most Favored Nation Rights.

If the County enters into a settlement or agreement with holders of the Series 2005-A Warrants or holders of the Limited Obligation School Warrants, Series 2004-A (the “Series 2004-A Warrants”) regarding the treatment of claims related to the Series 2005-A Warrants or the Series 2004-A Warrants under a chapter 9 plan (an “Other School Warrant PSA”), the County shall inform Depfa in writing of such Other School Warrant PSA within three (3) business days of the effective date of such Other School Warrant PSA. If such Other School Warrant PSA contemplates that a chapter 9 plan will enhance, improve or otherwise benefit the rights of holders of the Series 2005-A Warrants or holders of the Series 2004-A Warrants, then the County will agree to amend this Agreement to provide that any Acceptable Plan must also include provisions that provide equivalent enhancements, improvements, or benefits for the holders of claims in the Separate Class.

Section 5. Mutual Representations, Warranties, and Covenants.

Each Party makes the following representations, warranties, and covenants (on a several basis, with respect to such Party only) to each of the other Parties, each of which are continuing representations, warranties, and covenants:

(a) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legal, valid, and binding obligation of such Party, and the actions to be taken by each Party are within such Party’s powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery and performance by such Party of this Agreement does not and shall not: (i) violate the provision of law, rule, or regulations applicable to such

Party or any of its subsidiaries; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 and except for the Jefferson County Commission, the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body.

Section 6. Reservation of Rights.

This Agreement and any Acceptable Plan are part of a proposed settlement of disputes among the Parties. Except as expressly provided in this Agreement, nothing herein is intended to, does, or shall be deemed in any manner to waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies, and interests. Nothing herein shall be deemed an admission of any kind. Nothing in this Agreement shall constitute a modification or amendment of the Indenture, the First Supplemental Indenture, or the Standby Agreement.

Section 7. Acknowledgments.

This Agreement is the product of good faith, arm's length negotiations among the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

Section 8. Termination.

8.1. Termination Events.

The term "Termination Event," wherever used in this Agreement, means the occurrence of any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

- (i) the Bankruptcy Case shall have been dismissed and a Party delivers written notice (a "Notice of Termination") to the other Party in accordance with Section 10.10 hereof, informing the other Party of its intent to terminate its obligations under this Agreement;
- (ii) any court shall enter a final, non-appealable judgment or order declaring this Agreement to be unenforceable and a Party delivers a Notice of Termination to the other Party in accordance with Section 10.10 hereof,

informing the other Party of its intent to terminate its obligations under this Agreement;

- (iii) the County determines to file a plan that is not an Acceptable Plan (which, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, will not constitute a breach of this Agreement); or
- (iv) any Party has breached any material provision of this Agreement and any such breach remains uncured or not waived in writing by each of the Parties for a period of ten (10) business days after any non-breaching Party has delivered a Notice of Termination with respect to such breach (specifically referencing this Section 8.1(iv)) to the breaching Party in accordance with Section 10.10 hereof.

If any of the foregoing Termination Events occur, then this Agreement shall terminate as to all Parties.

The foregoing Termination Events are intended solely for the benefit of the Parties; *provided, however*, that no Party may terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions.

8.2. Consent to Termination.

This Agreement shall be terminated immediately upon written agreement of all the Parties to terminate this Agreement; *provided, however*, that such termination of the Agreement shall not restrict the Parties' rights and remedies with respect to any prior breach of the Agreement by any Party.

8.3. Effect of Termination.

If this Agreement is terminated, then this Agreement will forthwith become null and void as to all Parties, and there will be no continuing liability or obligation on the part of any Party hereunder as of the date of such termination, except as otherwise provided in Section 8.2; *provided, however*, that termination of this Agreement pursuant to Sections 8.1(iii) and 8.1(iv) hereof (but only, in the case of Section 8.1(iv), to the extent that the County is the breaching Party) shall not terminate the County's obligations under Sections 1, 2, and 3(g) hereof, including, without limitation, regarding not crediting any portion of the Early Redemption Amount or any portion of Future Tax Proceeds utilized for mandatory redemptions during the pendency of the Bankruptcy Case against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise; *provided, further*, that the continuation (after a termination of this Agreement) of the County's obligations under Section 3(g) will not preclude the County from proposing a plan of adjustment that modifies or cancels the Indenture or the First Supplemental Indenture and will require only that the County release any hold on the Retained Amount and distribute the Retained Amount to holders of the School Warrants, the Series 2005-A Warrants,

or the Series 2004-A Warrants on the plan's "Effective Date," or as soon thereafter as practicable. Depfa reserves all of its rights and remedies in the event that the County files a plan of adjustment that is not an Acceptable Plan.

Section 9. Effectiveness of the Agreement.

This Agreement shall become effective as of February 11, 2013, once duly executed by each Party. Notwithstanding the foregoing, the provisions of Section 3 hereof shall become effective only as part of a confirmed plan and only upon the date that such plan becomes effective.

Section 10. Miscellaneous Terms.

10.1. Binding Obligation; Savings Clause.

Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective successors, assigns, and representatives. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement by the County or Depfa to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable laws, and to the extent any provision shall be construed as constituting such a violation, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties.

10.2. Headings.

The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

10.3. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court (or, to the extent the Bankruptcy Court declines to exercise jurisdiction, then any court in the state of New York), which shall also have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties hereby irrevocably submits to the personal jurisdiction of the Bankruptcy Court (and, to the extent the Bankruptcy Court declines to exercise jurisdiction, then any court in the state of New York) solely for purposes of the foregoing sentence and irrevocably waives, to the fullest extent it may

effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 10.10 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

10.4. Complete Agreement; Interpretation; Modification and Waiver.

(a) The Agreement constitutes the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect thereto.

(b) This Agreement is the product of negotiation by and among the Parties. Any Party enforcing or interpreting this Agreement shall interpret it in a neutral manner. There shall be no presumption concerning whether to interpret the Agreement for or against any Party by reason of that Party having drafted this Agreement, or any portion thereof, or caused it or any portion thereof to be drafted.

(c) This Agreement may only be modified, altered, amended, or supplemented by an agreement in writing signed by each Party. No waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless the same is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

10.5. Specific Performance.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in addition to any other remedies, each Party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without regards to anything to the contrary contained in applicable law. Each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy. Each Party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of this Agreement.

10.6. Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual

executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

10.7. Independent Due Diligence and Decision-Making.

Each Party hereby confirms that its decision to execute this Agreement has been based upon its independent investigation of the operations, businesses, financial and other conditions and prospect of the County. Each Party acknowledges that any materials or information furnished to it by any other Party has been provided for informational purposes only, without any representation or warranty by such other Party.

10.8. Settlement Discussions.

This Agreement and the restructuring proposal contemplated by an Acceptable Plan are part of a proposed settlement of disputes among the Parties. Nothing herein shall be deemed an admission of any kind. If the transactions contemplated herein are not consummated, or following the occurrence of a Termination Event as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

10.9. Legal and Other Fees.

All of the Parties shall bear their own respective costs and expenses, including legal and other professional fees, associated with the negotiation and implementation of this Agreement.

10.10. Notices.

All notices hereunder (including, without limitation, any Notice of Termination), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

If to the County:

Jefferson County, Alabama
Attn: Chief Executive Officer
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jeffrey M. Sewell, Esq., County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840
Email: sewellj@jccal.org

-and-

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: J. Patrick Darby, Esq.
Facsimile: (205) 521-8500
Email: pdarby@babbc.com

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Attn: Kenneth N. Klee, Esq.; Lee R. Bogdanoff, Esq.; Whitman L. Holt, Esq.
Facsimile: (310) 407-9090
E-mail: kklee@ktbslaw.com; lbogdanoff@ktbslaw.com; wholt@ktbslaw.com

If to Depfa:

Depfa Bank PLC
Attn: Randy Himelfarb
622 Third Avenue, 29th Floor
New York, NY 10017
Facsimile: (212) 905-4779
E-mail: randy.himelfarb@depfa.com

-and-


Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attn: Israel David, Esq.; Gary L. Kaplan, Esq.
Telecopier: (212) 859-4000
E-mail: israel.david@friedfrank.com; gary.kaplan@friedfrank.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



By: *W.D. CARVER*
Its: *PRESIDENT OF THE COUNTY COMMISSION*

DEPFA BANK PLC

By:
Its:

DEPFA BANK PLC

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

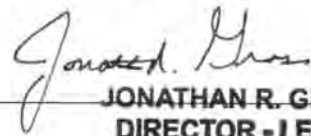
By:
Its:

DEPFA BANK PLC



By:
Its: **DANCY HENDERSON**
MANAGING DIRECTOR

DEPFA BANK PLC



By: **JONATHAN R. GROSS**
Its: **DIRECTOR - LEGAL**

SUPPLEMENT TO PLAN SUPPORT AGREEMENT

This SUPPLEMENT TO PLAN SUPPORT AGREEMENT (this “Supplement”), dated as of November 6, 2013, is made and entered into as a supplement to that certain *Plan Support Agreement* dated as of June 6, 2013, by and among Jefferson County, Alabama, JPMorgan Chase Bank, N.A., and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory thereto (the “PSA”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the PSA. This Supplement constitutes a writing signed by the County and the JPM Parties for purposes of Section 8.6(c) of the PSA.

1. Revised Plan Is an Acceptable Plan. Notwithstanding anything to the contrary contained in the PSA, any term sheet, or any other document, a plan in the form of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama* attached hereto as **Annex 1** (the “Revised Plan”) shall constitute an “Acceptable Plan” for all purposes under the PSA.

2. Consent Under Rule 3019(a). By their execution of this Supplement, the JPM Parties acknowledge and agree that (a) all modifications made to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the “Prior Plan”) by the Revised Plan are accepted by the JPM Parties; and (b) pursuant to Federal Rule of Bankruptcy Procedure 3019(a), all ballots cast by the JPM Parties to accept the Prior Plan shall be deemed to be ballots cast to accept the Revised Plan. The JPM Parties agree that the County may attach this Supplement as an exhibit to a notice of plan modifications filed with the Bankruptcy Court and that this Supplement shall evidence the JPM Parties’ acceptance in writing of all such modifications for purposes of Federal Rule of Bankruptcy Procedure 3019(a).

3. Commitment to Consummate Financing. The County shall exercise all reasonable efforts to consummate a financing transaction substantially as set forth in that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013, a copy of which is attached hereto as **Annex 2** (the “Further Amended Financing Plan”) and to maximize the amount of Excess Refinancing Proceeds (as defined in the Revised Plan) generated by such transaction; *provided, however*, that the County shall not be required to structure the issuance of the New Sewer Warrants (as defined in the Revised Plan) (the “Refinancing”) so as to produce any Excess Refinancing Proceeds to the extent that any such structure would involve economic modifications adverse to the ratepayers or the system in any material respect. For the avoidance of doubt, under no circumstances shall the County be required to structure the Refinancing so as to increase the amount of any Excess Refinancing Proceeds if in order to do so the County would be required to modify the Approved Rate Structure to increase sewer rates or other charges.

4. Notice Waivers. The JPM Parties (a) waive any requirement under the PSA that the County provide further written notice of the Further Amended Financing Plan (whether as an amendment to the Financing Plan or otherwise); and (b) waive any prior breach or potential breach of the PSA that could result from the County not giving written notice of the Further Amended Financing Plan prior to the date of this Supplement to the extent required by Section 4(d) of the PSA. The JPM Parties further waive any requirement under the PSA that the County provide written notice of the supplement to the Sewer Warrant Insurer PSA that will be executed

by the County and the applicable counterparties contemporaneously with the execution of this Supplement.

5. Extension of Confirmation Deadline. The references to “November 25, 2013” in Sections 7.1(q)(iii) and 7.1(q)(iv) of the PSA as the outside date for the Bankruptcy Court to enter the Confirmation Order and an order (which may be the Confirmation Order) validating the New Sewer Warrants are hereby deleted and replaced with “December 9, 2013”, and corresponding changes are deemed to be made in any applicable term sheets.

6. Agreement to Provide the Reserve Fund LOC. Subject to the confirmation of an Acceptable Plan, the occurrence of the Effective Date, and execution and effectiveness of acceptable documentation, JPMorgan shall, in connection with the funding of the debt service reserve funds contemplated by the indenture for the New Sewer Warrants, provide one or more 40 year letters of credit in an aggregate face amount equal to 10% (approximately \$180 million) of the total principal amount of the New Sewer Warrants, on substantially the terms set forth in the forms of operative documents to be filed as part of the amended Plan Supplement.

7. No Other Revisions to the PSA. Other than as expressly set forth herein, the execution, delivery, and effectiveness of this Supplement shall not operate as a waiver of any right, power, or remedy of any Party under the PSA, nor constitute a waiver of any provision of the PSA. Other than as expressly set forth herein, the PSA shall remain unchanged and in full force and effect in accordance with its terms. This Supplement shall be deemed to be a part of the PSA for all purposes.

8. Governing Law. This Supplement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. Any dispute with respect to this Supplement shall be resolved by the Bankruptcy Court.

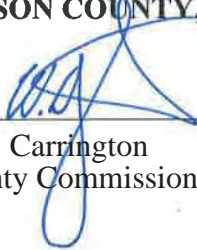
9. Execution of this Supplement. This Supplement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Supplement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Supplement. Each Party represents that each individual executing this Supplement on behalf of such Party has been duly authorized and empowered to execute and deliver this Supplement on behalf of such Party.

10. Right to Terminate. If the New York State Department of Financial Services fails to approve FGIC’s execution and performance of that certain supplement to the Sewer Warrant Insurer PSA dated as of November 6, 2013, on or before November 8, 2013, or any later date agreed in writing by the County and FGIC for obtaining such approval, then either JPMorgan or the County may terminate this Supplement by written notice to each other Party.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



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

JPMORGAN CHASE BANK, N.A.

By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.

By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC


By: William A. Austin
Its: Authorized Signatory

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

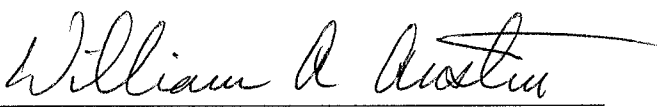
By:
Its:

JPMORGAN CHASE BANK, N.A.




By: William A. Austin
Its: Executive Director

JPMORGAN CHASE FUNDING INC.



By: William A. Austin
Its: Authorized Signatory

J.P. MORGAN SECURITIES LLC



By: William A. Austin
Its: Authorized Signatory

Annex 1
Revised Plan

**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.)	

**CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA
(DATED November 6, 2013)**

Pursuant to 11 U.S.C. § 941, Jefferson County, Alabama, files this plan of adjustment.

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

As used in the Plan and the Plan's Exhibits, the following Defined Terms shall have the respective meanings specified below:

1. **"503(b)(9) Bar Date"** means June 4, 2012, which is the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.
2. **"503(b)(9) Claim"** means a Claim that is entitled to treatment as an administrative expense under Bankruptcy Code section 503(b)(9).
3. **"Accumulated Sewer Revenues"** means all revenues of the Sewer System that are deposited and retained by the Sewer Warrant Trustee in either the "Jefferson County Sewer System Revenue Account" or the "Jefferson County Sewer System Debt Service Fund" through the Effective Date, in each case without deducting any amounts that may be subject to deduction as "Operating Expenses" under the Sewer Warrant Indenture as a result of any ruling by the Bankruptcy Court regarding the pending dispute about actually incurred professional fees in Adversary Proceeding Number 12-00016-TBB.
4. **"Act 619"** means Act 619 of the Alabama Legislature, 1949 Ala. Acts 949, *et seq.* (Sept. 19, 1949).
5. **"Adjusted Sewer Warrant Principal Amount"** means the amount of principal considered to be outstanding on each of the Sewer Warrants as of January 31, 2013, based upon the records maintained by the Sewer Warrant Trustee, *less* all payments of principal of Sewer Warrants (including principal included within the Sewer Warrant Insurers Outlay Amount) to be made on the Effective Date from the Accumulated Sewer Revenues as set forth in Section 4.6(a) of the Plan. The aggregate Adjusted Sewer Warrant Principal Amount with respect to all Sewer Warrants as of the Effective Date is anticipated to be approximately \$3.078 billion.
6. **"Administrative Claim"** means a Claim for administrative costs or expenses that is entitled to priority in payment under Bankruptcy Code sections 503(b), 507(a)(2), and 901.
7. **"Administrative Claims Bar Date"** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the last day to file proof of an Administrative Claim, which date shall be no more than ninety (90) calendar days after the Effective Date, after which date any Administrative Claim not timely Filed shall be forever barred, and the County shall have no obligation with respect thereto; *provided, however*, that no proof of an Administrative Claim shall be required to be filed if such Administrative Claim shall have been incurred (a) in accordance with an order of the Bankruptcy Court or (b) with the written consent of the County and in the ordinary course of the County's operations.

8. **“Alabama Constitution”** means the Constitution of Alabama of 1901, as amended from time to time thereafter.

9. **“Allowed”** or **“Allowed _____ Claim”** means:

- (a) with respect to a Claim arising prior to the Petition Date (including a 503(b)(9) Claim):
 - (i) either (A) a proof of Claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of Claim is deemed timely Filed either as a result of such Claim being listed on the List of Creditors or by a Final Order; and
 - (ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;
- (b) with respect to a Claim arising on or after the Petition Date (excluding a 503(b)(9) Claim), a Claim that has been allowed pursuant to Section 2.2(a) of the Plan.

Unless otherwise specified in the Plan or by a Final Order of the Bankruptcy Court, an “Allowed Administrative Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, or late charges on such Administrative Claim or Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the Case is not an Allowed Claim. For the avoidance of doubt, any and all Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

10. **“Ambac”** means Ambac Assurance Corporation.

11. **“Amended and Restated GO Warrant Indentures”** means the new trust indentures delivered in exchange for the GO Warrant Indenture pursuant to Bankruptcy Code section 1123(a)(5)(F), the forms of which indentures are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

12. **“Amended List Bar Date”** means, with respect to a claimant affected by the County’s amendment of the List of Creditors subsequent to the mailing and publication of the Bar Date Notice that reduces the undisputed, non-contingent, or liquidated amount or changes the nature or classification of such claimant’s Claim, the later of (a) either (i) the General Bar Date or (ii) if such claimant is a governmental unit, the Governmental Unit Bar Date; and (b) thirty (30) calendar days after the date that such claimant is served with notice of the amendment to the List of Creditors altering the amount, nature, or classification of such claimant’s Claim.

13. **“Approved Rate Structure”** means the structure of sewer rates and charges approved by the County Commission pursuant to Amendment 73 of the Alabama Constitution and Act 619 to be charged by the County to users of the Sewer System to support the repayment of the New Sewer Warrants so long as any portion of the New Sewer Warrants remain outstanding, which structure is set forth as Exhibit C to the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

14. **“Asserted Full Recourse Sewer Claims”** means any and all Claims based on or related to any Sewer Debt Claims that any Person asserts are general obligations of the County payable from the General Fund, including (a) the Sewer Warrant Trustee’s Asserted Recourse Claim; (b) the unliquidated proofs of Claim for indemnity, fraud, fraud in the inducement, and the like Filed by FGIC; (c) the unliquidated proofs of Claim for indemnity Filed by Assured; (d) the unliquidated proofs of Claim for indemnity Filed by Syncora; and (e) the JPMorgan Asserted Recourse Indemnification Claims.

15. **“Assured”** means Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc.

16. **“Avoidance Actions”** means all causes of action, claims, remedies, or rights that may be brought by or on behalf of the County under any section contained within chapter 5 of the Bankruptcy Code, or under related state or federal statutes or common law, regardless whether such action has been commenced prior to the Effective Date.

17. **“Avoidance Claim Bar Date”** means, with respect to any Person asserting Claims arising from the avoidance of a transfer under chapter 5 of the Bankruptcy Code, the first Business Day that is at least thirty (30) calendar days after entry of the order or judgment authorizing avoidance of the transfer.

18. **“Ballot”** means the ballot forms distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject the Plan, on which form the holder may cast its vote in respect of the Plan in accordance with the Plan and the Plan Procedures Order, and which must be actually received by the Ballot Tabulator on or before the Ballot Deadline in order to be counted.

19. **“Ballot Deadline”** means the deadline established by the Bankruptcy Court in the Plan Procedures Order for the delivery of executed Ballots to the Ballot Tabulator.

20. **“Ballot Record Date”** means the date established by the Bankruptcy Court in the Plan Procedures Order to determine which Creditors are entitled to vote on the Plan.

21. **“Ballot Tabulator”** means the Claims Agent, or any other Person designated by the County to tabulate Ballots in accordance with the Plan Procedures Order.

22. **“Bank Warrant Claims”** means any and all Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims and Series 2003-B-2 Through B-7 Sewer Claims. For the avoidance of doubt, (i) any Claims on account of Bank Warrants held by any of the Sewer Warrant Insurers are Sewer Warrant Insurers Claims, not Bank Warrant Claims; and (ii) Bank Warrant Claims do not include the Other Standby Sewer Warrant Claims.

23. **“Bank Warrant Default Interest Claims”** means any Claims based on interest that is alleged to have accrued on any Bank Warrants on or before the Petition Date at a “default” rate or as interest on interest, including under the Standby Sewer Warrant Purchase Agreements, and that remained unpaid on the Petition Date.

24. **“Bank Warrants”** means, collectively, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and the Series 2003-B-2 Through B-7 Sewer Warrants.

25. **“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as the same may be amended from time to time to the extent applicable to the Case.

26. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or any other court that exercises competent jurisdiction over the Case.

27. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case.

28. **“Bar Date Notice”** means the *Notice of (A) Entry of Order for Relief and (B) Deadlines for Filing Proofs of Claim and Requests for Allowance of Section 503(b)(9) Administrative Expense Claims*, which sets forth certain dates, deadlines, and procedures relevant to filing proofs of Claims in the Case pursuant to the *Order (I) Setting Bar Dates and Procedures for Filing Proofs of Claim; (II) Setting the Bar Date and Procedures for Filing Requests for Allowance of Section 503(b)(9) Claims; and (III) Approving Form and Manner of Serving and Publishing the Notices of Bar Dates and the Entry of the Order for Relief*, as subsequently amended [Docket Nos. 889 & 933].

29. **“Bennett Action”** means that certain adversary proceeding styled as *Andrew Bennett, et al. v. Jefferson County, Alabama and The Bank of New York Mellon, as Indenture Trustee (In re Jefferson County, Alabama)*, Adv. Proc. No. 12-00120 (Bankr. N.D. Ala.).

30. **“Bessemer Indenture”** means that certain *Trust Indenture* dated as of August 1, 2006, between the PBA and the Bessemer Trustee.

31. **“Bessemer Insurer”** means Ambac.

32. **“Bessemer Lease”** means that certain *Lease Agreement* dated August 1, 2006, by and between the County and the PBA.

33. **“Bessemer Lease Claims”** means, collectively, (a) any and all Claims arising from or in connection with the Bessemer Lease, including all Claims resulting from the rejection of the Bessemer Lease under Bankruptcy Code section 365; and (b) any and all Claims that could be asserted (directly or indirectly) by any Person under or in connection with the Bessemer Indenture and the Bessemer Policy, including by any reinsurer regarding the Bessemer Policy or by any holder of warrants issued under the Bessemer Indenture; *provided, however*, that for the avoidance of doubt, the “Bessemer Lease Claims” do not include any Claims arising under the New Bessemer Lease, under the Bessemer Stipulation, or under any Related Documents (as defined in the Bessemer Stipulation) on and after the Effective Date.

34. **“Bessemer Policy”** means that certain *Financial Guaranty Insurance Policy* number 25645BE issued by Ambac on or around August 17, 2006, and insuring certain of the PBA’s obligations under the Bessemer Indenture.

35. **“Bessemer Stipulation”** means that certain *Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes* dated as of November 27, 2012, by and among the County, the PBA, the Bessemer Trustee, and the Bessemer Insurer, which Bessemer Stipulation was approved by order of the Bankruptcy Court on December 20, 2012 [Docket No. 1537].

36. **“Bessemer Trustee”** means First Commercial Bank, in its capacity as Indenture Trustee under the Bessemer Indenture.

37. **“BLB”** means Bayerische Landesbank, New York Branch, formerly known as Bayerische Landesbank Girozentrale.

38. **“BLB GO Claim”** means \$52,937,479.17, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by BLB.

39. **“BNY”** means The Bank of New York Mellon in its capacity as a Sewer Liquidity Bank and not in any other capacity.

40. **“Board of Education Lease Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Warrants or the Board of Education Lease Indenture other than Board of Education Lease Policy Claims.

41. **“Board of Education Lease Debts”** means, together, all Board of Education Lease Claims and all Board of Education Lease Policy Claims.

42. **“Board of Education Lease Indenture”** means that certain *Mortgage and Trust Indenture* dated as of July 1, 2000, between the County and the Board of Education Lease Trustee.

43. **“Board of Education Lease Insurer”** means Assured.

44. **“Board of Education Lease Policy”** means that certain *Municipal Bond Insurance Policy* number 26420-N issued by Assured on or around July 25, 2000.

45. **“Board of Education Lease Policy Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Policy, as well as any and all Claims of the Board of Education Lease Insurer or any Transferee of the Board of Education Lease Insurer arising from or in connection with the Board of Education Lease Indenture, including all Claims arising in connection with any Board of Education Lease Warrants held by the Board of Education Lease Insurer or by any Transferee of the Board of Education Lease Insurer as a result of the Board of Education Lease Insurer’s satisfaction of any claims under the Board of Education Lease Policy, and including any related Reinsurance Claims.

46. **“Board of Education Lease Trustee”** means U.S. Bank National Association, in its capacity as Indenture Trustee under the Board of Education Lease Indenture and as successor to SouthTrust Bank.

47. **“Board of Education Lease Trustee Fee Claims”** means any and all Claims of the Board of Education Lease Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the Board of Education Lease Indenture.

48. **“Board of Education Lease Warrants”** means those certain Limited Obligation School Warrants, Series 2000 issued in the original principal amount of \$45,210,000 and insured by the Board of Education Lease Insurer.

49. **“Business Day”** means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

50. **“Case”** means the voluntary case commenced by the County under chapter 9 of the Bankruptcy Code and pending before the Bankruptcy Court.

51. **“Cash”** means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

52. **“Causes of Action”** means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims (including equitable subordination claims and statutory subordination claims), subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

53. **“Claim”** means any “claim” as that word is defined by Bankruptcy Code section 101(5) against the County or against property of the County, whether or not asserted in the Case.

54. **“Claims Agent”** means Kurtzman Carson Consultants LLC, the County’s court-appointed claims, noticing, and balloting agent pursuant to 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].

55. **“Claims Bar Date”** means, as applicable, the 503(b)(9) Bar Date, the Administrative Claim Bar Date, the Amended List Bar Date, the Avoidance Claim Bar Date, the General Bar Date, the Governmental Unit Bar Date, and the Rejection Bar Date.

56. **“Claims Objection Deadline”** means, unless extended by the Bankruptcy Court upon a motion Filed by the County, the date that is the later of (a) the first Business Day that is at least 180 calendar days after the Effective Date, and (b) the first Business Day that is at least 180 calendar days after the date on which a proof of Claim in respect of a Claim has been Filed. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court.

57. **“Class”** means a group of Claims as designated in Section 2.3 of the Plan, or any subclass thereof.

58. **“Closing Agreement”** means an agreement between the County and the Internal Revenue Service which, in form and substance acceptable to the County and each of the Sewer Plan Support Parties other than LBSF, resolves the pending audit regarding certain of the Sewer Warrants and confirms the tax-free status of all the Sewer Warrants, with no taxes, costs, or other liabilities to the existing holders of the Sewer Warrants.

59. **“Commutation Election”** means the election or deemed election under the Plan of a holder of Sewer Warrants to unconditionally commute, waive, and forever release, discharge, and forgo (a) any and all Sewer Wrap Payment Rights; (b) any and all Bank Warrant Default Interest Claims; and (c) any and all other Sewer Released Claims against the County, against any of the Sewer Released Parties, or against any of their respective Related Parties.

60. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court in the Case.

61. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by Bankruptcy Code section 1128(a), as such hearing may be continued from time to time.

62. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan under Bankruptcy Code section 943(b).

63. **“Consent Decree Claims”** means any and all Claims arising from or in connection with either of the Consent Decrees.

64. **“Consent Decrees”** means the EPA Consent Decree and the Hiring Practices Consent Decree.

65. **“Contingent Claim”** means a Claim that is listed on the List of Creditors as contingent.

66. **“County”** means Jefferson County, Alabama, a political subdivision of the State of Alabama and the chapter 9 debtor in the Case.

67. **“County Commission”** means the duly elected five member Jefferson County Commission, which serves as the governing body of the County pursuant to Alabama Code sections 11-1-5 and 11-3-11.

68. **“Covered Tail Risk”** means Cash equal to each Sewer Warrant Insurer’s Tail Risk to be paid by the County on the Effective Date, the amount of which Cash shall not exceed \$25 million in the aggregate.

69. **“Creditor”** means a Person holding a Claim.

70. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to Bankruptcy Code section 1123(b)(2).

71. **“Declaratory Judgment Action”** means that certain adversary proceeding commenced by the Sewer Warrant Trustee against the County, Syncora, and Assured on or about February 6, 2013, and styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (Bankr. N.D. Ala.).

72. **“Defined Term”** means any capitalized term that is defined in this Section 1.1 of the Plan.

73. **“Depfa Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

74. **“Deposit Refund Claims”** means any and all Claims for the refund of any deposits paid to and held by the County, including deposits made with respect to applications for permits issued by the County and security deposits paid to the County with respect to the provision of services by the County.

75. **“Disallowed Claim”** means a Claim that (a) is not listed on the List of Creditors, or is listed thereon as contingent, unliquidated, disputed, or in an amount equal to zero, and whose holder failed to timely File a proof of Claim by the applicable Claims Bar Date; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

76. **“Disclosure Statement”** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125, as it subsequently may be amended, modified, or supplemented by the County.

77. **“Disputed Claim”** means a Claim:

- (a) as to which a proof of Claim is Filed or is deemed Filed as a result of such Claim being listed on the List of Creditors; and
- (b) as to which:
 - (i) an objection or request for estimation (A) has been timely Filed, and (B) has not been denied by a Final Order or withdrawn; or
 - (ii) is a Claim that is listed on the List of Creditors as disputed; or
 - (iii) is disputed in whole or in part under the Plan.

78. **“Distribution”** means any initial or subsequent issuance, payment, or transfer of consideration made under the Plan.

79. **“Distribution Record Date”** means (a) the first Business Day that is at least ten (10) calendar days after the Confirmation Date; or (b) such later date before the Effective Date as the County (i) reasonably determines, after consultation with the Sewer Plan Support Parties and the Sewer Warrant Trustee, is feasible in light of the anticipated date of the Effective Date and (ii) specifies in a notice Filed with the Bankruptcy Court.

80. **“DTC”** means The Depository Trust Company.

81. **“Effective Date”** means a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which the conditions set forth in Section 4.18(a) of the Plan have been satisfied or waived by the County and by any other necessary parties in accordance with Section 4.18(b) of the Plan.

82. **“Eligible Sewer Warrants”** means the Sewer Warrants held by the Supporting Sewer Warrantholders as of the date of execution of the Supporting Sewer Warrantholder Plan Support Agreement and set forth opposite each such Supporting Sewer Warrantholder’s name on Schedule 1 thereto.

83. **“Eminent Domain Claims”** means any and all Claims for actual damages arising directly from the County’s exercise of its power of eminent domain or condemnation.

84. **“Employee Compensation Claims”** means any and all Claims of Persons employed by the County or the State of Alabama as of the Petition Date that the County is required to compensate by agreement or applicable law, for all forms of compensation including unpaid wages, salaries, accrued vacation, compensation or “comp” time, pension contributions, health insurance premiums, and sick pay arising prior to the Petition Date and remaining outstanding on the Effective Date.

85. **“Employee Indemnification Claims”** means any and all Claims for legal representation or indemnification made by Persons currently or formerly employed by either the County or such boards, agencies, and commissions designated by the County Commission, with regard to civil claims for which such Persons may be legally obligated to pay where the incident or occurrence giving rise to such representation or claim was one arising out of and within the line and scope of their employment, pursuant to the limitations and upon the conditions specified by the County Commission or applicable law.

86. **“EPA Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 9, 1996, in the litigation styled as *Kipp, et al. v. Jefferson County, Alabama*, Civil Action No. 93-G-2492-S (N.D. Ala.) and *United States v. Jefferson County, Alabama*, Civil Action No. 94-G-2947-S (N.D. Ala.).

87. **“Excess Refinancing Proceeds”** means an amount equal to the sum of (a) the amount of Refinancing Proceeds, if any, generated due to a difference between (1) the rates (yields) actually realized upon the issuance of the New Sewer Warrants, and (2) the rates (yields) assumed to be realized in the Further Amended Financing Plan; and (b) the amount of the excess, if any, when (1) the aggregate amount of the Distributions and other payments actually made under the Plan on account of all Sewer Debt Claims (including as a result of the ultimate Tail Risk resulting from the rescission process for holders of the Series 2003-C-9 Through C-10

Sewer Warrants that are deemed to make the Commutation Election), before giving effect to any Distributions made under Section 4.19 of the Plan, is subtracted from (2) the aggregate amount of the Distributions and other payments projected to be made under the Plan on account of all Sewer Debt Claims as set forth in the Further Amended Financing Plan.

88. **“Excess Refinancing Proceeds – First Tranche”** means the first \$30,000,000 of Excess Refinancing Proceeds.

89. **“Excess Refinancing Proceeds – Second Tranche”** means any and all Excess Refinancing Proceeds in excess of \$30,000,000 but less than or equal to \$160,000,000. For the avoidance of doubt, in no event shall the amount of the Excess Refinancing Proceeds – Second Tranche exceed \$130,000,000.

90. **“Excess Refinancing Proceeds – Third Tranche”** means any and all Excess Refinancing Proceeds in excess of \$160,000,000; *provided, however*, that in no event shall the amount of the Excess Refinancing Proceeds – Third Tranche exceed the amount of the present value (as reasonably determined by the lead underwriter for the New Sewer Warrants) provided by the Reserve Fund LOC to the financing transaction associated with the issuance of the New Sewer Warrants.

91. **“Federal Court Receivership Action”** means *The Bank of New York Mellon, as Trustee v. Jefferson County, Alabama, et al.*, Case No. 2:08-cv-1703-RDP, pending in the United States District Court for the Northern District of Alabama, Southern Division.

92. **“FGIC”** means Financial Guaranty Insurance Company.

93. **“FGIC Assured-Insured Warrant Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants held by FGIC as an investment as of the date of the execution of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers.

94. **“FGIC Rehabilitator”** means Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (N.Y. Sup. Ct.).

95. **“File”** or **“Filed”** means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Bankruptcy Court in the Case, except with respect to proofs of claim that must be filed with the Claims Agent pursuant to the Bar Date Notice, in which case “File” or “Filed” means duly and properly filed with the Claims Agent and reflected on the official claims register maintained by the Claims Agent.

96. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

(a) that has not been reversed, rescinded, stayed, modified, or amended;

(b) that is in full force and effect; and

- (c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be filed with respect to such order.

97. **“Further Amended Financing Plan”** means that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013.

98. **“Future Tax Proceeds”** means any future excess tax proceeds available for mandatory redemptions under the School Warrant Indenture.

99. **“General Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the general deadline for Creditors to file proofs of Claims against the County.

100. **“General Fund”** means the County’s general operating fund.

101. **“General Liability Claim”** means a Claim, arising in tort or otherwise, for damages arising from or relating to death, injury to a Person, damage to or loss of property, or any other injury that a Person may suffer to his, her, or its Person, reputation, character, feelings, or estate.

102. **“General Unsecured Claim”** means a Claim that is not an Administrative Claim, a Bessemer Lease Claim, a Board of Education Lease Debt Claim, a GO Debt Claim, an Other Unimpaired Claim, a Professional Fee Claim, a Secured Claim, a Special Revenues Claim, or a Subordinated Claim. General Unsecured Claims include the Asserted Full Recourse Sewer Claims, Rejection Damage Claims, and the Uninsured Portion of General Liability Claims.

103. **“General Unsecured Claims Pool”** means the sum of \$5 million, which will be contributed from the General Fund to a segregated, interest-bearing account on the Effective Date, plus all interest paid by the depository institution with respect to such sum through and including the GUC Payment Date.

104. **“GO Acknowledgment”** means the provisions set forth in Exhibit D to the Plan, which the County will include in the proposed form of Confirmation Order.

105. **“GO Banks”** means, together, BLB and JPMorgan Chase Bank, N.A.

106. **“GO Debt Claims”** means, collectively, all GO Policy Claims, all GO Swap Agreement Claims, and all GO Warrant Claims.

107. **“GO Events of Default”** means all defaults or breaches by the County of either of the GO Resolutions, including any failure of the County to pay amounts due and owing on any of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants when due.

108. **“GO Insurance Policies”** means, together, (a) that certain *Financial Guaranty Insurance Policy* number 40587 issued by National on or around March 19, 2003; and (b) that certain *Financial Guaranty Insurance Policy* number 44671 issued by National on or around August 10, 2004.

109. **“GO Paying Agents”** means, together, (a) The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent with respect to the Series 2003-A GO Warrants; and (b) U.S. Bank National Association, in its capacity as successor paying agent with respect to the Series 2004-A GO Warrants.

110. **“GO Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of May 13, 2013, by and among the County, the GO Banks, and the GO Warrant Trustee.

111. **“GO Plan Support Parties”** means, collectively, the GO Banks, the GO Warrant Trustee, and National.

112. **“GO Policy Claims”** means any and all Claims arising from or in connection with the GO Insurance Policies, as well as any and all Claims of the GO Warrant Insurer or any Transferee of the GO Warrant Insurer arising from or in connection with the GO Resolutions, including all Claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies, including the National Fees and Expenses Claims and the National Reimbursement Claims, and including any related Reinsurance Claims.

113. **“GO Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the GO Insurance Policies, the GO Resolutions, the GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement, but excluding (a) all obligations imposed by the Plan, the Amended and Restated GO Warrant Indentures, and the Replacement 2001-B GO Warrants; and (b) any Claim held by a GO Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also GO Released Parties.

114. **“GO Released Parties”** means each of the County, the GO Banks, the GO Warrant Trustee, and National.

115. **“GO Resolution 2003-A”** means that certain *Resolution and Order*, including any documents annexed thereto, adopted by the County Commission at a meeting held on March 6, 2003, and authorizing the issuance of the Series 2003-A GO Warrants.

116. **“GO Resolution 2004-A”** means that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004, and authorizing the issuance of the Series 2004-A GO Warrants.

117. **“GO Resolutions”** means, together, the GO Resolution 2003-A and the GO Resolution 2004-A.

118. **“GO Swap Agreement”** means that certain *ISDA Master Agreement* dated as of March 23, 2001, between the County and JPMorgan Chase Bank, N.A., as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto

119. **“GO Swap Agreement Claims”** means any and all Claims arising under the GO Swap Agreement, including with respect to all “Transactions” (as defined in the GO Swap Agreement) thereunder.

120. **“GO Warrant Claims”** means any and all Series 2001-B GO Claims, Series 2003-A GO Claims, and Series 2004-A GO Claims.

121. **“GO Warrant Indenture”** means that certain *Trust Indenture* dated as of July 1, 2001, between the County and the GO Warrant Trustee.

122. **“GO Warrant Insurer”** means National.

123. **“GO Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as Indenture Trustee under the GO Warrant Indenture and as successor to The Bank of New York.

124. **“GO Warrant Trustee Fee Claims”** means any and all Claims of the GO Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the GO Warrant Indenture.

125. **“GO Warrants”** means, collectively, the Series 2001-B GO Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants.

126. **“Governmental Unit Bar Date”** means August 31, 2012, which is the date established by the Bankruptcy Court as the deadline for governmental units to file proofs of Claims.

127. **“GUC Payment Date”** means the later of (a) the third (3rd) annual anniversary of the Effective Date, and (b) the date on which all objections that the County Files regarding

any General Unsecured Claims on or before the Claims Objection Deadline have been settled or resolved by Final Orders.

128. **“Hiring Practices Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 29, 1982, in the litigation styled as *United States of America v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS (N.D. Ala.).

129. **“Impaired”** means “impaired” within the definition of Bankruptcy Code section 1124.

130. **“Indenture Trustees”** means, collectively, the Board of Education Lease Trustee, the GO Warrant Trustee, the School Warrant Trustee, and the Sewer Warrant Trustee.

131. **“Insured Portion”** means that portion of an Allowed General Liability Claim that is covered by insurance by one or more policies providing coverage to or on behalf of the County or any of its employees, including any excess coverage policies.

132. **“JPMorgan Asserted Recourse Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Warrant Purchase Agreements*, dated as of March 6, 2002, September 18, 2002, October 24, 2002, April 30, 2003, and August 5, 2003, in each case by and between the County and JPMS.

133. **“JPMorgan GO Claim”** means \$52,185,812.50, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by JPMorgan Chase Bank, N.A.

134. **“JPMorgan Parties”** means, collectively, JPMorgan Chase Bank, N.A., JPMS, and any of their respective affiliates holding Sewer Warrant Claims or Bank Warrant Claims, and for purposes of the definition of Sewer Released Parties, the term JPMorgan Parties shall also include Bear Stearns Capital Markets Inc.

135. **“JPMorgan Sewer Revenue Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Remarketing and Interest Services Agreements*, dated as of February 1, 2002, May 1, 2003, and May 1, 2003, in each case by and between the County and JPMS.

136. **“JPMS”** means J.P. Morgan Securities LLC, formerly known as J.P. Morgan Securities Inc.

137. **“LBSF”** means Lehman Brothers Special Financing Inc.

138. **“LBSF Periodic Payment Claim”** means an asserted Claim of \$1,002,754.42, which allegedly represents the net total periodic payments that had accrued and were due to LBSF at the time of the termination of the LBSF Swap Agreement, plus interest thereon through the Petition Date for a total asserted Claim of \$1,656,230.21.

139. **“LBSF Swap Agreement”** means that certain *ISDA Master Agreement* dated as of October 23, 2002, between the County and LBSF, as subsequently amended via an amendment dated as of September 14, 2006, and together with all schedules, annexes, and confirmations related thereto.

140. **“Liquidity Agent Standby Sewer Warrant Claims”** means any and all Claims of JPMorgan Chase Bank, N.A. in its capacity as liquidity agent under the Standby Sewer Warrant Purchase Agreements, including any and all Claims for reimbursement or indemnification in such capacity.

141. **“List of Creditors”** means the list of Creditors Filed by the County in the Case pursuant to Bankruptcy Code section 924 and Bankruptcy Rule 1007(e), as it has been or subsequently may be modified or amended by the County [Docket Nos. 410 & 932].

142. **“National”** means National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

143. **“National Fees and Expenses Claims”** means any and all Claims on account of fees, expenses, or costs incurred by National prior to the Effective Date that arise from or are related to the Case, the Series 2003-A GO Warrants, the Series 2004-A GO Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses.

144. **“National Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 27, 2013, by and between the County and National.

145. **“National Reimbursement Claims”** means any and all Claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Series 2003-A GO Warrants or on the Series 2004-A GO Warrants during the period from the Petition Date through the Effective Date.

146. **“National Reimbursement Payments”** means the following amounts that are payable, subject to the County’s prepayment rights under Section 2.3(r) of the Plan, on the following dates: (a) \$2,854,321.62 payable on April 1, 2025; (b) \$2,854,321.62 payable on April 1, 2026; and (c) \$2,854,321.63 payable on April 1, 2027.

147. **“New Bank Rate”** means the Prime Rate (as defined in the Standby School Warrant Purchase Agreement) plus 2.25%.

148. **“New Bessemer Lease”** means that certain *Lease Agreement* dated as of January 1, 2013, which the County and the PBA entered into pursuant to the Bessemer Stipulation.

149. **“New First Supplemental Sewer Warrant Indenture”** means that certain First Supplemental Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the Reserve Fund Reimbursement Warrants, the form of which supplemental indenture is included in the Plan Supplement.

150. **“New Sewer Warrant Indenture”** means, collectively, (a) that certain Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the New Sewer Warrants, the form of which trust indenture is included in the Plan Supplement; and (b) the New First Supplemental Sewer Warrant Indenture.

151. **“New Sewer Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as trustee under the New Sewer Warrant Indenture.

152. **“New Sewer Warrants”** means (a) the new sewer warrants issued by the County under the Plan, secured by the collateral specified in the New Sewer Warrant Indenture, and governed by the New Sewer Warrant Indenture, the forms of which sewer warrants are included in the Plan Supplement; and (b) when issued, the Reserve Fund Reimbursement Warrants.

153. **“New Sewer Wrap Policy”** means that certain municipal bond insurance policy to be issued by Assured on the Effective Date guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants (as that term is defined in the New Sewer Warrant Indenture) when due on substantially the terms set forth in the Further Amended Financing Plan and the forms of operative documents to be Filed as part of the Plan Supplement.

154. **“Non-Commutation True-Up Amount”** means an aggregate amount equal to, with respect to each Sewer Warrant held by a Person that elects not to make or is deemed not to make the Commutation Election, the difference between (a) 80% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant, and (b) 65% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant.

155. **“OPEB Plan”** means the single-employer, post-retirement welfare benefit plan sponsored by the County in accordance with the resolution of the County Commission first approved on September 25, 1990, and approved from time to time thereafter.

156. **“OPEB Plan Claims”** means any and all Claims of the OPEB Plan.

157. **“Other Secured Claims”** means any Secured Claims that are not otherwise expressly classified under the Plan.

158. **“Other Specified Sewer Claims”** means any and all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim.

159. **“Other Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements other than any Claims on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements). For the avoidance of doubt, the Other Standby Sewer Warrant Claims include the Liquidity Agent Standby Sewer Warrant Claims and any and all other Claims for reimbursement or indemnification, including with respect to any fees or expenses (including professional fees), of any party (other than the County) to the Standby Sewer Warrant Purchase Agreements.

160. **“Other Unimpaired Claims”** means any and all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims.

161. **“Outstanding Amount”** means, with respect to any series or subseries of non-commuted Sewer Warrants, (a) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on the Effective Date, the outstanding principal (after giving effect to all Distributions contemplated by the Plan) owing on such series or subseries of Sewer Warrants as of the Effective Date; or (b) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on a date after the Effective Date, the sum of (i) the outstanding principal (after giving effect to all Distributions contemplated by the Plan and any principal payments theretofore made by the applicable Sewer Warrant Insurer on or after the Effective Date) owing on such series or subseries of Sewer Warrants as of the date on which the applicable Sewer Warrant Insurer elects to pay outstanding accelerated principal and interest, and (ii) all interest accrued and unpaid on such series or subseries of Sewer Warrants after the Effective Date through the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries.

162. **“Pass-Through Obligation Claims”** means any and all Claims of the Birmingham-Jefferson Civic Center Authority, the State of Alabama, cities, towns, school districts, school boards, and other municipalities for taxes and other funds due to them or to any applicable trustee on their behalf that the County, under applicable state law, has collected on their behalf and is obligated to remit to them or to any applicable trustee on their behalf.

163. **“PBA”** means the Jefferson County Public Building Authority.

164. **“Permanent Injunction”** has the meaning set forth in Section 6.2 of the Plan.

165. **“Person”** means any person or organization created or recognized by law, including any association, company, cooperative, corporation, entity, estate, individual, joint stock company, joint venture, limited liability company, partnership, trust, unincorporated organization, or government or any political subdivision thereof.

166. **“Petition Date”** means November 9, 2011.

167. **“Plan”** means this *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)*, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time by the County in accordance with the terms hereof and Bankruptcy Code section 942.

168. **“Plan Procedures Order”** means 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], as clarified by the *Order Granting Jefferson County’s Motion for Clarification of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9*

Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)”, and (B) Related Confirmation Procedures, Deadlines, and Notices [Docket No. 2102].

169. **“Plan Supplement”** means that certain compilation of documents, forms of documents, schedules, and exhibits that was Filed by the County on September 30, 2013 [Docket No. 2101], as amended and supplemented prior to the Confirmation Hearing.

170. **“Plan Support Agreements”** means, collectively, the Depfa Plan Support Agreement, the GO Plan Support Agreement, the National Plan Support Agreement, and the Sewer Plan Support Agreements, in each case collectively with all exhibits and schedules thereto.

171. **“Plan Support Parties”** means, collectively, Depfa Bank PLC, the GO Plan Support Parties, and the Sewer Plan Support Parties.

172. **“Preserved Claims”** means all Causes of Action of the County, including the Avoidance Actions and other Causes of Action identified on Exhibit A to the Plan, against the Persons identified thereon, but excluding all Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court. The failure to specifically identify in the Disclosure Statement or the Plan any potential or existing Causes of Action as a Preserved Claim is not intended to and shall not limit the rights of the County to pursue any such Causes of Action. The County expressly reserves all Causes of Action, other than those Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court, as Preserved Claims for later adjudication, and no preclusion doctrine (including the doctrines of *res judicata*, collateral estoppel, judicial estoppel, equitable estoppel, issue preclusion, claim preclusion, and laches) shall apply to such Causes of Action as Preserved Claims on or after the Effective Date.

173. **“Primary Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements).

174. **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim to (b) the amount of that Allowed Claim, is the same as the ratio of (x) the amount of consideration available for Distribution on account of all Allowed Claims in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed Claims of that Class.

175. **“Professional Fee Claim”** means a Claim to be satisfied pursuant to Section 2.2(c) of the Plan with respect to amounts to be paid to a professional Person that has been duly retained by the County for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be Allowed or paid by the County if the underlying professional’s retention was by or on behalf of any Person other than the County or was otherwise not properly authorized by the County Commission.

176. **“Rate Resolution”** means the resolution adopted by the County Commission on September 23, 2013, to implement the Approved Rate Structure.

177. **“Receiver”** means John S. Young, Jr., LLC, the receiver appointed in the State Court Receivership Action, and any successor thereto or replacement thereof.

178. **“Receivership Actions”** means the Federal Court Receivership Action and the State Court Receivership Action.

179. **“Refinancing Proceeds”** means the net proceeds generated by the issuance of New Sewer Warrants.

180. **“Reinstated Sewer Warrant Interest Payments”** means all non-default rate interest (with respect to the Bank Warrants, including the Bank Warrants held by the Sewer Warrant Insurers, the Sewer Bank Rate) accrued and unpaid on account of any Sewer Warrants through and including the Effective Date, without providing for any interest on interest; *provided, however*, that any non-default rate interest paid by any of the Sewer Warrant Insurers during the period starting on February 1, 2013, and continuing through and including the Effective Date is not included within the “Reinstated Sewer Warrant Interest Payments,” but instead is part of the “Sewer Warrant Insurers Outlay Amount.”

181. **“Reinstated Sewer Warrant Principal Payments”** means all principal amounts that have become due and payable and remain unpaid (by the County, any Sewer Warrant Insurer, or otherwise) on account of any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, without giving effect to any acceleration or any accelerated redemption schedule (including any accelerated redemption schedule applicable to any Bank Warrants). Any principal amounts that have become or will become due and owing on any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, and that have been paid or are paid by any of the Sewer Warrant Insurers are not included within the “Reinstated Sewer Warrant Principal Payments,” but instead are part of the “Sewer Warrant Insurers Outlay Amount.”

182. **“Reinsurance Claim”** means, with respect to any particular bond or warrant insurance policy, any Claim that has been or could be asserted (directly or indirectly) by any Person that has acted or is acting as a “reinsurer” or in any similar capacity with respect to such insurance policy.

183. **“Rejection Bar Date”** means, with respect to any Rejection Damage Claim, the latest of (a) the first Business Day that is at least thirty (30) calendar days after the later of either (i) the date on which a Rejection Order is entered by the Bankruptcy Court or (ii) the effective date of such Rejection Order; (b) either (i) the General Bar Date or (ii) if the claimant is a governmental unit, the Governmental Unit Bar Date; and (c) solely as to those Rejection Damage Claims arising from the rejection of an unexpired lease or an executory contract under the Plan, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

184. **“Rejection Damage Claim”** means a Claim arising under Bankruptcy Code section 365(g) from the rejection of an unexpired lease or an executory contract.

185. **“Rejection Order”** means an order of the Bankruptcy Court entered prior to the Effective Date and authorizing the County’s rejection of an unexpired lease or an executory contract.

186. **“Related Parties”** means, collectively, (a) any affiliates of a Person, and (b) all of the respective accountants, affiliates, agents, assigns, attorneys, authorities, bankers, consultants, directors, employees, executors, financial advisors, heirs, investment bankers, managers, members, officers, officials, parent entities, partners, predecessors, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present, of such Person and of such Person’s affiliates; *provided, however*, that (x) the County’s Related Parties shall include the County Commission and its members, but shall not include any former County Commissioners or any former employees or officials of the County against which the County has any Preserved Claims; and (y) for the avoidance of doubt, the County’s Related Parties do not include the JPMorgan Parties or any of the JPMorgan Parties’ respective Related Parties.

187. **“Remaining Accumulated Sewer Revenues”** means the amount of Accumulated Sewer Revenues, if any, remaining after providing for the payment of all Reinstated Sewer Warrant Principal Payments, all Reinstated Sewer Warrant Interest Payments, and all Sewer Warrant Insurers Outlay Amount as required by Section 4.6(a) of the Plan.

188. **“Replacement 2001-B GO Warrants”** means replacement warrants to be issued in two series under the Plan, governed by the Amended and Restated GO Warrant Indentures, and named the “General Obligation Warrants, Series 2013-A” and the “General Obligation Warrants, Series 2013-B”, the forms of which warrants are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

189. **“Reserve Fund LOC”** means one or more irrevocable letters of credit to be issued by JPMorgan Chase Bank, N.A. on the Effective Date pursuant to the New First Supplemental Sewer Warrant Indenture for deposit to the debt service reserve fund(s) established under the New Sewer Warrant Indenture.

190. **“Reserve Fund LOC Agreements”** means, collectively, the Reserve Fund LOC and any reimbursement, collateral, or other agreements related to the Reserve Fund LOC, the forms of which agreements are included in the Plan Supplement.

191. **“Reserve Fund Reimbursement Warrants”** means the reserve fund reimbursement warrants issued by the County under the Plan, secured by the collateral specified in the New First Supplemental Sewer Warrant Indenture and any applicable Reserve Fund LOC Agreements, and governed by the New Sewer Warrant Indenture in connection with any draw on the Reserve Fund LOC, the forms of which reserve fund reimbursement warrants are included in the Plan Supplement.

192. **“Retained Amount”** means the sum of \$3,756,625.75 of Education Tax Revenues (as defined in the School Warrant Indenture) retained by the County during the pendency of the Case in the “Jefferson County Limited Obligation Warrant Revenue Account” established under the School Warrant Indenture.

193. **“Retirement System”** means the General Retirement System for Employees of Jefferson County, Alabama, which was established by the Alabama Legislature pursuant to Act Number 497, Acts of Alabama 1965, page 717, and is the administrator of a single-employer, defined benefit pension plan covering substantially all employees of the County.

194. **“Retirement System Claims”** means any and all Claims of the Retirement System.

195. **“Schedule of Assumed Agreements”** means the schedule of executory contracts and unexpired leases that the County will assume on the Effective Date. The initial Schedule of Assumed Agreements was included as part of the initial Plan Supplement; the current Schedule of Assumed Agreements is included as Exhibit B to the Plan, but remains subject to any modifications that may be made prior to the Effective Date pursuant to Section 3.1(a) of the Plan.

196. **“School Debt Claims”** means, collectively, all School Policy – General Claims, all School Surety Reimbursement Claims, all School Warrant Claims, all School Warrant Trustee Fee Claims, and all Subordinated School Claims.

197. **“School Insurance Policies”** means, together, the School Policy – General and the School Surety.

198. **“School Policy – General”** means that certain *Financial Guaranty Insurance Policy* number 23545BE issued by Ambac on or around February 2, 2005.

199. **“School Policy – General Claims”** means any and all Claims arising from or in connection with the School Policy – General, as well as any and all Claims of the School Warrant Insurer or any Transferee of the School Warrant Insurer arising from or in connection with the School Warrant Indenture, including all Claims arising in connection with any Series 2005-A School Warrants or Series 2005-B School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Policy – General, and including any related Reinsurance Claims.

200. **“School Surety”** means that certain *Surety Bond* number SB1982BE issued by Ambac on or around February 2, 2005.

201. **“School Surety Reimbursement Claims”** means any and all Claims arising from or in connection with (a) the School Surety or (b) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac, including all Claims arising in connection with any School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Surety, and including any related Reinsurance Claims.

202. **“School Warrant Claims”** means any and all Series 2004-A School Claims, Series 2005-A School Claims, and Series 2005-B School Claims.

203. **“School Warrant Event of Default”** shall have the meaning ascribed to the term “Event of Default” in, as applicable, the School Warrant Indenture or the Standby School

Warrant Purchase Agreement, and **“School Warrant Events of Default”** shall mean more than one such “Event of Default.”

204. **“School Warrant Indenture”** means that certain *Trust Indenture* dated as of December 1, 2004, between the County and the School Warrant Trustee, as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005.

205. **“School Warrant Insurer”** means Ambac.

206. **“School Warrant Second Supplemental Indenture”** means that certain supplement to the School Warrant Indenture to be executed as of the Effective Date of the Plan, which shall contain the amendments to the School Warrant Indenture effected by the Plan.

207. **“School Warrant Trustee”** means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the School Warrant Indenture.

208. **“School Warrant Trustee Fee Claims”** means any and all Claims of the School Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the School Warrant Indenture.

209. **“School Warrants”** means, collectively, the Series 2004-A School Warrants, the Series 2005-A School Warrants, and the Series 2005-B School Warrants.

210. **“Scotia Bank”** means The Bank of Nova Scotia.

211. **“Secured Claim”** means a Claim, including a Secured Tax Claim and Other Secured Claim, that is secured by a lien on property of the County, which lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the claimholder’s interest in the County’s interest in the collateral or to the extent of the amount subject to setoff against a Claim held by the County, whichever is applicable, and as determined under Bankruptcy Code section 506(a); to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, in the case of a Claim that is not a Special Revenues Claim, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which Secured Claim is a part makes a valid and timely election in accordance with Bankruptcy Code section 1111(b) to have such Claim treated as a Secured Claim to the extent Allowed.

212. **“Secured Tax Claim”** means a governmental unit’s Secured Claim for unpaid taxes.

213. **“Series 1997-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 1997-A Sewer Warrants, other than any Series 1997-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

214. **“Series 1997-A Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 1997-A issued in the original principal amount of \$211,040,000 and insured by FGIC.

215. **“Series 2001-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2001-A Sewer Warrants, other than any Series 2001-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

216. **“Series 2001-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2001-A issued in the original principal amount of \$275,000,000 and insured by FGIC.

217. **“Series 2001-B GO Claims”** means any and all Claims arising from or in connection with the Series 2001-B GO Warrants or the GO Warrant Indenture, including all Standby GO Warrant Claims and all GO Warrant Trustee Fee Claims, but excluding the GO Swap Agreement Claims.

218. **“Series 2001-B GO Warrants”** means those certain General Obligation Warrants, Series 2001-B issued in the original principal amount of \$120,000,000.

219. **“Series 2002-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-A Sewer Warrants together with any and all Claims arising from or in connection with that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A., other than any Series 2002-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

220. **“Series 2002-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2002-A issued in the original principal amount of \$110,000,000 and insured by FGIC.

221. **“Series 2002-C-1 & C-5 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-C-1 Sewer Warrants or the Series 2002-C-5 Sewer Warrants, other than any Series 2002-C-1 Sewer Warrants or Series 2002-C-5 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

222. **“Series 2002-C-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-1-A, C-1-B, C-1-C, and C-1-D, issued in the original principal amount of \$298,800,000, and insured by Syncora.

223. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims”** means any Claims arising from or in connection with the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to

the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, other than any Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

224. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-2, C-3, C-4, C-6, and C-7, issued in the original principal amount of \$442,400,000, and previously insured by Syncora.

225. **“Series 2002-C-5 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-5, issued in the original principal amount of \$98,300,000, and insured by Syncora.

226. **“Series 2003-A GO Claims”** means any and all Claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

227. **“Series 2003-A GO Warrants”** means those certain General Obligation Capital Improvement and Refunding Warrants, Series 2003-A issued in the original principal amount of \$94,000,000 and insured by National.

228. **“Series 2003-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-A Sewer Warrant.

229. **“Series 2003-A Sewer Warrant”** means that certain Sewer Revenue Refunding Warrant, Series 2003-A issued in the original principal amount of \$41,820,000 and presently held by Alabama Water Pollution Control Authority.

230. **“Series 2003-B-1 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-1 Sewer Warrants, other than any Series 2003-B-1 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

231. **“Series 2003-B-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-1-A, B-1-B, B-1-C, B-1-D, and B-1-E, issued in the original principal amount of \$735,800,000, and insured by FGIC.

232. **“Series 2003-B-2 Through B-7 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-2 Through B-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2003-B-2 Through B-7 Sewer Warrants, other than any Series 2003-B-2 Through B-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer

Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

233. **“Series 2003-B-2 Through B-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-2, B-3, B-4, B-5, B-6, and B-7, issued in the original principal amount of \$300,000,000, and previously insured by Syncora.

234. **“Series 2003-B-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants, other than any Series 2003-B-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies. For the avoidance of doubt, the Series 2003-B-8 Sewer Claims include the FGIC Assured-Insured Warrant Claims.

235. **“Series 2003-B-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-8, issued in the original principal amount of \$119,965,000, and insured by Assured.

236. **“Series 2003-C-1 Through C-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-1 Through C-8 Sewer Warrants, other than any Series 2003-C-1 Through C-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

237. **“Series 2003-C-1 Through C-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8, issued in the original principal amount of \$820,000,000, and insured by FGIC.

238. **“Series 2003-C-9 Through C-10 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-9 Through C-10 Sewer Warrants, other than any Series 2003-C-9 Through C-10 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

239. **“Series 2003-C-9 Through C-10 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-9 and C-10, issued in the original principal amount of \$232,025,000, and insured by Assured.

240. **“Series 2004-A GO Claims”** means any and all Claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

241. **“Series 2004-A GO Warrants”** means those certain General Obligation Warrants, Series 2004-A issued in the original principal amount of \$51,020,000 and insured by National.

242. **“Series 2004-A School Claims”** means any and all Claims arising from or in connection with the Series 2004-A School Warrants, other than any Series 2004-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

243. **“Series 2004-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2004-A issued in the original principal amount of \$650,000,000.

244. **“Series 2005-A School Claims”** means any and all Claims arising from or in connection with the Series 2005-A School Warrants, other than any Series 2005-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

245. **“Series 2005-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-A issued in the original principal amount of \$200,000,000 and insured by Ambac.

246. **“Series 2005-B School Claims”** means any and all Claims arising from or in connection with the Series 2005-B School Warrants, including all Standby School Warrant Claims, other than any Series 2005-B School Warrants held or acquired by the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

247. **“Series 2005-B School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-B issued in the original principal amount of \$200,000,000 and insured by Ambac.

248. **“Sewer Bank Rate”** means the “Bank Rate” as that term is defined in the applicable Standby Sewer Warrant Purchase Agreement.

249. **“Sewer Debt Claims”** means, collectively, all Bank Warrant Claims, all Other Specified Sewer Claims, all Other Standby Sewer Warrant Claims, all Primary Standby Sewer Warrant Claims, all Sewer Swap Agreement Claims, all Sewer Warrant Claims, all Sewer Warrant Insurers Claims, all Sewer Warrant Trustee Fee Claims, and all Subordinated Sewer Claims.

250. **“Sewer DSRF Policies”** means, collectively, (a) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (b) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (c) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (d) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005.

251. **“Sewer DSRF Reimbursement Agreements”** means, collectively, (a) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and

between the County and FGIC; (b) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (c) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (d) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured.

252. **“Sewer DSRF Reimbursement Claims”** means any and all Claims arising from or in connection with the Sewer DSRF Reimbursement Agreements or the Sewer DSRF Policies, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under or in connection with any of the Sewer DSRF Policies, and including any related Reinsurance Claims.

253. **“Sewer Insurance Policies”** means, collectively, the Sewer DSRF Policies and the Sewer Wrap Policies.

254. **“Sewer Liquidity Banks”** means, collectively, BNY, Scotia Bank, and State Street, each in its capacity as a liquidity bank with respect to Sewer Warrants, the Bank Warrant Claims, the Primary Standby Sewer Warrant Claims, the Other Standby Sewer Warrant Claims, and the Bank Warrant Default Interest Claims, and not in any other capacity.

255. **“Sewer Plan Support Agreements”** means, collectively, (i) those certain *Plan Support Agreements* among the County and each of the JPMorgan Parties, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders, dated as of June 6, 2013; (ii) that certain *Plan Support Agreement* among the County and the Sewer Liquidity Banks dated as of June 27, 2013; and (iii) that certain *Plan Support Agreement* between the County and LBSF dated as of July 24, 2013, in each case as the same may have been amended, modified, or supplemented in accordance with their respective terms.

256. **“Sewer Plan Support Parties”** means, collectively, the JPMorgan Parties, LBSF, the Sewer Liquidity Banks, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders.

257. **“Sewer Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the LBSF Periodic Payment Claim, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the

Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (e) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks; or (v) the “LBSF Claims” referenced in Section 3 of the Sewer Plan Support Agreement between the County and LBSF); and (f) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

258. **“Sewer Released Parties”** means each of the County, the FGIC Rehabilitator, the Receiver, the Sewer Plan Support Parties, and the Sewer Warrant Trustee.

259. **“Sewer Swap Agreement Claims”** means any and all Claims arising from or in connection with the Sewer Swap Agreements, including with respect to all “Transactions” (as defined in the Sewer Swap Agreements) thereunder, but excluding the LBSF Periodic Payment Claim.

260. **“Sewer Swap Agreements”** means, collectively, (a) the LBSF Swap Agreement; (b) that certain *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A., as subsequently amended via an amendment dated as of July 14, 2003, together with all schedules, annexes, and confirmations related thereto; and (c) that certain *ISDA Master Agreement* dated as of May 1, 2004, between the County and Bear Stearns Capital Markets Inc., together with all schedules, annexes, and confirmations related thereto.

261. **“Sewer System”** means the entire sanitary sewer system owned by the County.

262. **“Sewer Warrant Claims”** means any and all Series 1997-A Sewer Claims, Series 2001-A Sewer Claims, Series 2002-A Sewer Claims, Series 2002-C-1 & C-5 Sewer Claims, Series 2003-A Sewer Claims, Series 2003-B-1 Sewer Claims, Series 2003-B-8 Sewer Claims, Series 2003-C-1 Through C-8 Sewer Claims, and Series 2003-C-9 Through C-10 Sewer Claims. For the avoidance of doubt, (i) the FGIC Assured-Insured Warrant Claims are Sewer Warrant Claims; (ii) any Claims on account of Sewer Warrants held by any of the Sewer Warrant Insurers (other than the FGIC Assured-Insured Warrant Claims) are Sewer Warrant Insurers Claims; and (iii) the Bank Warrant Claims, the Other Standby Sewer Warrant Claims, and the Primary Standby Sewer Warrant Claims are not Sewer Warrant Claims.

263. **“Sewer Warrant Indenture”** means that certain *Trust Indenture* dated as of February 1, 1997, between the County and the Sewer Warrant Trustee, as subsequently supplemented by eleven supplemental indentures dated as of March 1, 1997, March 1, 1999, March 1, 2001, February 1, 2002, September 1, 2002, October 1, 2002, November 1, 2002, January 1, 2003, April 1, 2003, August 1, 2003, and May 1, 2004.

264. **“Sewer Warrant Indenture Funds”** means any funds or accounts that are established by or have any connection to the Sewer Warrant Indenture regardless of the pendency of any dispute concerning whether the Sewer Warrant Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

265. **“Sewer Warrant Insurers”** means, collectively, Assured, FGIC, and Syncora.

266. **“Sewer Warrant Insurers Agreements”** means those certain written agreements of the Sewer Warrant Insurers (to which the County is not a party), each dated as of June 6, 2013, and concerning, among other things, the agreed allocation of certain of the consideration payable under Section 2.3(c) of the Plan and certain commutations and settlements between and among the Sewer Warrant Insurers in respect of the Sewer Warrant Insurers Claims.

267. **“Sewer Warrant Insurers Claims”** means any and all Claims held by the Sewer Warrant Insurers, whatever the origin or nature, including all Sewer Wrap Policy Claims, all Sewer DSRF Reimbursement Claims, and all other Claims held by any Sewer Warrant Insurer arising from or in connection with the Sewer Warrants, the Sewer Warrant Indenture, or the Standby Sewer Warrant Purchase Agreements, but excluding the FGIC Assured-Insured Warrant Claims and the Asserted Full Recourse Sewer Claims. For the avoidance of doubt, Sewer Warrant Insurers Claims include any and all Claims that could be asserted in respect of (a) the Series 2002-A Sewer Warrants in the principal amount of \$101,465,000 owned by FGIC, or (b) the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and Series 2003-B-2 Through B-7 Sewer Warrants in the aggregate principal amount of \$214,191,875.11 owned by Syncora.

268. **“Sewer Warrant Insurers Outlay Amount”** means a sum equal to the amount of any and all payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of Sewer Warrants under any of the Sewer Insurance Policies on or after February 1, 2013, and through the Effective Date, plus interest on the principal portion of such payments, calculated at the underlying Sewer Warrant rate (e.g., 5.25% on the Series 2003-B-8 Sewer Warrants and two (2) times the one month LIBOR rate on the Series 2003-C-9 Through C-10

Sewer Warrants). For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to interest accrued on any Sewer Warrant.

269. **“Sewer Warrant Trustee”** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Sewer Warrant Indenture and as successor to AmSouth Bank of Alabama.

270. **“Sewer Warrant Trustee Fee Claims”** means any and all Claims of the Sewer Warrant Trustee for compensation, disbursements, expenses, fees (including fees of its counsel and experts), or indemnification pursuant to the Sewer Warrant Indenture.

271. **“Sewer Warrant Trustee Residual Fee Estimate”** means (a) the anticipated aggregate amount of reasonable expenses and fees (including reasonable fees of its counsel) that will be incurred by the Sewer Warrant Trustee in connection with the completion of the actions that the Sewer Warrant Trustee is required to take pursuant to Sections 4.6(a), 4.6(b), 4.6(c), 4.7(b), 4.8(c), 4.11 (only with respect to last sentence thereof), 4.15(e)(iv)(A), and 4.15(e)(v) of the Plan (and only such actions), which anticipated amount shall be provided in writing to the County’s counsel on or before the seventh (7th) calendar day after the Confirmation Date; plus (b) an amount not to exceed \$100,000 in respect of any indemnification rights, which amount shall be returned to the County if not used by the tenth (10th) annual anniversary of the Effective Date. The Sewer Warrant Trustee Residual Fee Estimate shall not include (i) any anticipated amounts in respect of the Sewer Wrap Payment Rights Administration Expenses; or (ii) except as set forth above, any amounts or reserves in respect of indemnification rights.

272. **“Sewer Warrant Trustee’s Asserted Recourse Claim”** means the proof of Claim filed by the Sewer Warrant Trustee “in an amount not less than \$85,562,828.31.”

273. **“Sewer Warrants”** means, collectively, the Series 1997-A Sewer Warrants, the Series 2001-A Sewer Warrants, the Series 2002-A Sewer Warrants, the Series 2002-C-1 Sewer Warrants, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, the Series 2002-C-5 Sewer Warrants, the Series 2003-A Sewer Warrant, the Series 2003-B-1 Sewer Warrants, the Series 2003-B-2 Through B-7 Sewer Warrants, the Series 2003-B-8 Sewer Warrants, the Series 2003-C-1 Through C-8 Sewer Warrants, and the Series 2003-C-9 Through C-10 Sewer Warrants. For the avoidance of doubt, all Bank Warrants are also Sewer Warrants.

274. **“Sewer Wrap Payment Rights”** means any rights of a holder of Sewer Warrants against the applicable Sewer Warrant Insurer insuring such holder’s Sewer Warrants to receive any payments under, in connection with, or on account of such Sewer Warrant Insurer’s Sewer Wrap Policies, but only with respect to any Sewer Warrants as to which such holder did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

275. **“Sewer Wrap Payment Rights Administration Expenses”** means the reasonable expenses and fees of the Sewer Warrant Trustee, if any, associated with the pursuit and administration of any Sewer Wrap Payment Rights after the Effective Date, including making demands on the applicable Sewer Warrant Insurer, calculating any amounts due under the applicable Sewer Wrap Policies, and receiving or distributing any funds payable on account

of any Sewer Wrap Payment Rights. The Sewer Warrant Trustee shall provide an estimate in writing of the Sewer Wrap Payment Rights Administration Expenses to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

276. **“Sewer Wrap Policies”** means, collectively, (a) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997, as it may be amended by FGIC’s plan of rehabilitation; (b) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001, as it may be amended by FGIC’s plan of rehabilitation; (c) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002, as it may be amended by FGIC’s plan of rehabilitation; (d) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (e) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003, as it may be amended by FGIC’s plan of rehabilitation; (f) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (g) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (h) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003, as it may be amended by FGIC’s plan of rehabilitation; and (i) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003.

277. **“Sewer Wrap Policy Claims”** means any and all Claims arising from or in connection with the Sewer Wrap Policies, as well as any and all Claims of any of the Sewer Warrant Insurers or any Transferee of any of the Sewer Warrant Insurers arising from or in connection with the Sewer Warrant Indenture, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claims under or in connection with any of the Sewer Wrap Policies, and including any related Reinsurance Claims. For the avoidance of doubt, the Sewer Wrap Policy Claims do not include the Sewer DSRF Reimbursement Claims.

278. **“Special Revenues Claim”** means a Claim payable solely from “special revenues” (as defined in Bankruptcy Code section 902(2)) under applicable nonbankruptcy law, including all School Debt Claims and all Sewer Debt Claims.

279. **“Standby GO Warrant Claims”** means any and all Claims arising from or in connection with the Standby GO Warrant Purchase Agreement.

280. **“Standby GO Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the GO Warrant Trustee, and the GO Banks, as subsequently amended by that certain *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004.

281. **“Standby School Warrant Claims”** means any and all Claims of Depfa Bank PLC arising from or in connection with the Standby School Warrant Purchase Agreement.

282. **“Standby School Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005, among the County, the School Warrant Trustee, and Depfa Bank PLC.

283. **“Standby Sewer Warrant Purchase Agreements”** means, collectively, (a) that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A.; (b) those certain *Standby Warrant Purchase Agreements* dated as of October 1, 2002, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, and Regions Bank; and (c) those certain *Standby Warrant Purchase Agreements* dated as of May 1, 2003, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of Société Générale, New York Branch, BNY, State Street, and Lloyds TSB Bank plc.

284. **“State Court Receivership Action”** means *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Civil Action No. CV-2009-02318, pending in the Circuit Court of Jefferson County, Alabama.

285. **“State Street”** means State Street Bank and Trust Company.

286. **“Subordinated Claim”** means a Claim that is determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c), including all Subordinated General Claims, Subordinated School Claims, and Subordinated Sewer Claims.

287. **“Subordinated General Claims”** means any and all Claims that represent general obligations of the County and are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 5-A, Class 5-B, Class 5-C, Class 5-D, or Class 5-E that are Allowed under the Plan are not Subordinated General Claims or subject to subordination.

288. **“Subordinated School Claims”** means any and all School Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) and 510(c). For the avoidance of doubt, all Claims in Class 2-A, Class 2-B, Class 2-C, Class 2-D, or Class 2-E that are Allowed under the Plan are not Subordinated School Claims or subject to subordination.

289. **“Subordinated Sewer Claims”** means any and all Sewer Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 1-A, Class 1-B, Class 1-C, or Class 1-D that are Allowed under the Plan are not Subordinated Sewer Claims or subject to subordination.

290. **“Supporting Sewer Warrantholder Directed Distribution”** has the meaning set forth in Section 4.9(b) of the Plan.

291. **“Supporting Sewer Warrantholder Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 6, 2013, by and among County, JPMorgan Chase Bank, N.A., and the Supporting Sewer Warrantholders from time to time party thereto.

292. **“Supporting Sewer Warrantholders”** means each of those Persons that owns, or manages or advises accounts or funds that own, Sewer Warrants and that is or becomes a signatory to the Supporting Sewer Warrantholder Plan Support Agreement.

293. **“Syncora”** means Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc.

294. **“Syncora Settlement Agreement”** means that certain *Settlement Agreement* by and among JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, Regions Bank, BNY, State Street, Lloyds TSB Bank, plc, as liquidity banks under the Standby Sewer Warrant Purchase Agreements, and Syncora, dated as of April 7, 2010, collectively with any exhibits thereto and any ancillary documents associated therewith.

295. **“Tail Risk”** means the claim exposure of each of the Sewer Warrant Insurers under the applicable Sewer Wrap Policies that remains after the Effective Date (after giving effect to the County’s payment of the Non-Commutation True-Up Amount to the Sewer Warrant Insurers, but without taking into account any reduction in FGIC’s payment obligations pursuant to any plan of rehabilitation for FGIC) based on (a) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders that elected not to make or were deemed not to make the Commutation Election, *less* the Distributions made to such holders pursuant to Option 2 of Section 2.3(a) of the Plan; and (b) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders of Series 2003-C-9 Through C-10 Sewer Warrants insured by Assured that are deemed to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, *less* the Distributions made to such holders pursuant to Option 1 of Section 2.3(a) of the Plan.

296. **“Tax Abatement Agreement Claims”** means any and all Claims arising from or in connection with the Tax Abatement Agreements.

297. **“Tax Abatement Agreements”** means any agreement pursuant to which any sales tax, use tax, recording tax, non-educational *ad valorem* tax, or other tax has been or currently is being abated under the Tax Incentive Reform Act of 1992, codified at Alabama Code section 40-9B-1, *et seq.*

298. **“Transferee”** means any Person that, after the Petition Date, obtained or obtains any beneficial interest in all or any part of a particular Claim, whether by way of assignment, bequest, foreclosure, hypothecation, lien, mortgage, pledge, sale, or other method of “transfer” as that word is defined in Bankruptcy Code section 101(54).

299. **“True-Up Amount”** means a sum equal to the aggregate amount of any interest paid on account of any Series 2005-B School Claims during the period between August 31,

2013, and the Effective Date at a rate higher than the New Bank Rate, as agreed by and acceptable to Depfa Bank PLC and the County.

300. **“True-Up Amount Certificate”** means a certificate delivered to the School Warrant Trustee pursuant to Section 2.3(i) of the Plan confirming the amount of the True-Up Amount and directing the School Warrant Trustee to implement the provisions of the Plan reducing the principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants.

301. **“Unclaimed Distribution”** means any Distribution other than an Undeliverable Distribution with respect to which the County tenders a distribution check and that distribution check is not cashed within forty-five (45) calendar days after its issuance date.

302. **“Undeliverable Distribution”** means any Distribution with respect to which the County tenders a distribution check and that distribution check is returned as undeliverable.

303. **“Uninsured Portion”** means the portion of an Allowed General Liability Claim that is not the Insured Portion.

304. **“Unliquidated Claim”** means a Claim that is listed on the List of Creditors as unliquidated.

305. **“Unused Covered Tail Risk Amount”** means an amount equal to the positive difference between \$25 million and the aggregate Covered Tail Risk that the County is required to pay on the Effective Date pursuant to the Plan; *provided, however*, that the Unused Covered Tail Risk Amount shall in no event exceed the lesser of (a) \$750,000 and (b) the estimated amount of the Sewer Wrap Payment Rights Administration Expenses to be provided by the Sewer Warrant Trustee to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

306. **“Wilson Action”** means, together, that certain adversary proceeding styled as *Charles E. Wilson, et al. v. JPMorgan Chase & Co., et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 11-00433 (Bankr. N.D. Ala.), and the counts remaining in that certain action styled as *Wilson v. Bank of America, et al.* Circuit Court of Jefferson County, Alabama, Birmingham Division, Case No. CV-2008-901907.00.

307. **“Workers Compensation Claims”** means any and all Claims pursuant to Alabama workers compensation law of Persons who suffered an eligible injury while employed by the County or by the State of Alabama and for which Claims the County is liable for payment by agreement or applicable law.

Section 1.2. Interpretation; Rules of Construction; Computation of Time.

(a) **Defined Terms.** Any term used in the Plan or the Plan’s Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

(b) **Rules of Interpretation and Construction.**

1. The definition given to any term or provision in the Plan or the Plan's Exhibits supersedes and controls any different meaning that may be given to that term or provision in the Disclosure Statement, on any Ballot, or in any Plan Support Agreement.
2. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.
3. All references in the Plan and the Plan's Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.
4. Whenever the Plan or the Plan's Exhibits use the word "including," such reference shall be deemed to mean "including, without limitation,".
5. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.
6. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or supplement (including the Plan Support Agreements as they may be applicable to any amendment or supplement of the Plan).
7. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.
8. Unless otherwise indicated, the phrase "under the Plan" and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.
9. Unless otherwise specified, all references to "Articles," "Exhibits," "Schedules," or "Sections" are references to articles, exhibits, schedules, and sections of or to the Plan.
10. The words "herein," "hereof," "hereto," "hereunder," "herewith," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.
11. Captions and headings to articles and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.
12. Whenever the Plan or the Plan's Exhibits provides that a document or thing must be "acceptable" or "satisfactory" to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

13. All other rules of construction set forth in Bankruptcy Code section 102 apply to the Plan and the Plan's Exhibits to the extent not inconsistent with this Section 1.2.

(c) **Time Periods.** In computing any period of time prescribed or allowed by the Plan or the Plan's Exhibits, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS

Section 2.1. Summary and Classification of Claims.

This Section classifies Claims – except for Administrative Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims	Unimpaired	Not Entitled to Vote
Class 1-A	Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-B	Bank Warrant Claims and Primary Standby Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-C	Sewer Warrant Insurers Claims	Impaired	Entitled to Vote
Class 1-D	Other Specified Sewer Claims	Impaired	Entitled to Vote
Class 1-E	Sewer Swap Agreement Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 1-F	Other Standby Sewer Warrant Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 2-A	Series 2004-A School Claims	Impaired	Entitled to Vote
Class 2-B	Series 2005-A School Claims	Impaired	Entitled to Vote
Class 2-C	Series 2005-B School Claims and Standby School Warrant Claims	Impaired	Entitled to Vote
Class 2-D	School Policy – General Claims	Impaired	Entitled to Vote
Class 2-E	School Surety Reimbursement Claims	Impaired	Entitled to Vote

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
Class 3-A	Board of Education Lease Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3-B	Board of Education Lease Policy Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 4	Other Secured Claims, including Secured Tax Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-A	Series 2001-B GO Claims and Standby GO Warrant Claims	Impaired	Entitled to Vote
Class 5-B	Series 2003-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-C	Series 2004-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-D	GO Policy Claims	Impaired	Entitled to Vote
Class 5-E	GO Swap Agreement Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Entitled to Vote
Class 7	Bessemer Lease Claims	Impaired	Entitled to Vote
Class 8	Other Unimpaired Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 9	Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.

The treatment in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any liens, encumbrances, charges, and interests) that each Person holding a Claim may have or assert against the County or its property. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may otherwise have or assert against the County or its property. Other than the Reinstated Sewer Warrant Interest Payments, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter to the remaining portion of such Allowed Claim, if any; *provided, however*, that the County's treatment of any Distributions for its tax purposes will not be binding on any Creditor as to the treatment of such Distributions for any regulatory, tax, or other purposes.

Section 2.2. Allowance and Treatment of Administrative Claims.

(a) Allowance of Administrative Claims.

(i) Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed by the County, Administrative Claims will be Allowed only if:

- (A) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim both Files with the Bankruptcy Court and serves on the County a motion requesting allowance of the Administrative Claim; and
- (B) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Claim.

The County or any other party in interest may File an objection to such motion within sixty (60) calendar days after the expiration of the Administrative Claims Bar Date, unless such time period for filing such objection is extended by the Bankruptcy Court. **THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY DISTRIBUTED PURSUANT TO THE PLAN.**

(ii) Cure Payments.

Cure Payments shall be Allowed in accordance with the procedures set forth in Section 3.1(b).

(iii) 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed by the County, a 503(b)(9) Claim will be Allowed only if:

- (A) The 503(b)(9) Claim is Filed by the 503(b)(9) Bar Date, or is deemed timely Filed; and
- (B) If an objection to such 503(b)(9) Claim is Filed by a party in interest on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is an Allowed 503(b)(9) Claim.

PURSUANT TO THE BAR DATE ORDER, ALL PERSONS HOLDING 503(b)(9) CLAIMS THAT DID NOT TIMELY FILE SUCH CLAIMS BY THE 503(b)(9) BAR

DATE ARE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING THOSE CLAIMS AGAINST THE COUNTY OR ITS PROPERTY.

(b) Treatment of Administrative Claims.

(i) Administrative Claims Generally.

Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order.

(ii) Cure Payments.

Cure Payments will be made to the non-debtor parties to the subject executory contracts or unexpired leases in accordance with Section 3.1.

(iii) 503(b)(9) Claims.

Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim to be an Allowed 503(b)(9) Claim becomes a Final Order.

(c) Professional Fees.

Pursuant to Bankruptcy Code section 943(b)(3), all amounts to be paid for services or expenses in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable. There shall be paid to each holder of a Professional Fee Claim in full, final, and complete settlement, satisfaction, release, and discharge of such Claim, Cash in an amount equal to the portion of such Professional Fee Claim that the Bankruptcy Court determines is reasonable on or as soon as is reasonably practicable following the date on which the Bankruptcy Court enters an order determining reasonableness. The County, in the ordinary course of its business, and without the requirement for Bankruptcy Court approval, may pay for professional services rendered and expenses incurred following the Effective Date.

(d) Administrative Tax Claims.

Notwithstanding anything to the contrary in the Plan or in the Confirmation Order, a governmental unit shall not be required to file, make, or submit a request for payment (or any document, including a bill) of an expense described in Bankruptcy Code section 503(b)(1)(B) or (C) as a condition of its being an Allowed Administrative Claim, and the County shall pay in full all such Allowed Administrative Claims, including any interest related thereto, when due.

(e) **No Other Priority Claims.**

The only category of priority Claim incorporated into a chapter 9 case through Bankruptcy Code section 901(a) are Administrative Claims allowable under Bankruptcy Code section 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described in Section 2.2(b) above. No other kinds of priority claims set forth in Bankruptcy Code section 507 are recognized or entitled to priority in chapter 9 or in this Case, but rather are treated in chapter 9 and in this Case and classified in the Plan as General Unsecured Claims.

Section 2.3. Classification and Treatment of Classified Claims.

(a) **Class 1-A (Sewer Warrant Claims).**

Class 1-A consists of all Sewer Warrant Claims. Class 1-A is Impaired under the Plan. Class 1-A Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants giving rise to Class 1-A Claims and (ii) the amount of any Reinstated Sewer Warrant Principal Payments and Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants giving rise to Class 1-A Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-A Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-A Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete

settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims; and (ii) the retention of Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring such holder's Sewer Warrants, which Sewer Wrap Payment Rights shall not be waived or impaired.

- B. Regardless of the option selected, each holder of an Allowed Class 1-A Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Principal Payments and any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the non-default rate on any Sewer Warrants after the Petition Date and (ii) any interest on interest on any Sewer Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-A Claims that make the Commutation Election as provided in this Section 2.3(a) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A Claims and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election with respect to all Sewer Warrants held by each of the JPMorgan Parties and each Supporting Sewer Warrantholder, subject to the exceptions contained in Section 3(e) of the Supporting Sewer Warrantholder Plan Support Agreement.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-A Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(a) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(b) **Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims).**

Class 1-B consists of all Bank Warrant Claims and (to the extent not otherwise included) all Primary Standby Sewer Warrant Claims. Class 1-B is Impaired under the Plan. Class 1-B Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Bank Warrants giving rise to Class 1-B Claims; and (ii) the amount of any Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Bank Warrants giving rise to Class 1-B Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-B Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-B Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-B Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-B Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims (including any Bank Warrant Default Interest Claims) and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties; or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, a Distribution (x) on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants and (y) on the first Business Day that is at least thirty (30) calendar days after the entry of a Final Order allowing such Claims, of Cash from a reserve account to be funded on the Effective Date from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of any Allowed Bank Warrant Default Interest Claims held by such holder in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims.

- B. Regardless of the option selected, each holder of an Allowed Class 1-B Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the Sewer Bank Rate on any Bank Warrants after the Petition Date and (ii) any interest on interest on any Bank Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-B Claims that make the Commutation Election as provided in this Section 2.3(b) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election and to waive any Bank Warrant Default Interest Claims held by such JPMorgan Party, Sewer Liquidity Bank, and Supporting Sewer Warrantholder, as applicable, with respect to all Bank Warrants held by each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-B Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

No additional or other Distributions will be made under the Plan to any Person on account of the Primary Standby Sewer Warrant Claims (to the extent not otherwise included within the Bank Warrant Claims).

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(b) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(c) **Class 1-C (Sewer Warrant Insurers Claims).**

Class 1-C consists of all Sewer Warrant Insurers Claims. Class 1-C is Impaired under the Plan. Class 1-C Claims shall be Allowed on the Effective Date in an aggregate amount, without duplication, equal to the sum of (i) the amount of the Sewer Warrant Insurers Claims, (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants held by the Sewer Warrant Insurers, and (iii) the Sewer Warrant Insurers Outlay Amount, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

The holders of Allowed Class 1-C Claims shall receive from or on behalf of the County on the Effective Date, in full, final, and complete settlement, satisfaction, release, and exchange of each such holder's Class 1-C Claims:

(i) subject to the reductions set forth in Section 2.3(c)(vi) below, an aggregate Distribution of \$165,000,000 in Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurers Agreements;

(ii) a separate aggregate Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be equal to the Non-Commutation True-Up Amount attributable to

all Sewer Warrants insured by each Sewer Warrant Insurer under a Sewer Wrap Policy and held by Persons that elected not to make or were deemed not to make the Commutation Election;

(iii) a payment in full from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to each Sewer Warrant Insurer's Covered Tail Risk;

(iv) subject to the reductions set forth in Section 2.3(c)(vi) below, Distributions of Cash on account of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, in each case if applicable and if any, in accordance with Section 4.6(a);

(v) any Excess Refinancing Proceeds to which the Sewer Warrant Insurers are entitled pursuant to and in accordance with Section 4.19; and

(vi) subject to the issuance of the New Sewer Wrap Policy by Assured, the amounts otherwise distributable (A) to Syncora pursuant to Section 2.3(c)(iv) above shall be reduced by the sum of \$12,250,000; and (B) to FGIC pursuant to (1) Section 2.3(c)(i) above shall be reduced by the sum of \$8,500,000, and (2) Section 2.3(c)(iv) above on account of the Series 2002-A Sewer Warrants held by FGIC shall be reduced by the sum of \$5,500,000.

As part of the global settlement implemented under the Plan, the Sewer Warrant Insurers will be deemed to waive and release all Bank Warrant Default Interest Claims.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-C Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(c) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(d) Class 1-D (Other Specified Sewer Claims).

Class 1-D consists of all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim. Class 1-D is Impaired under the Plan.

All Claims in Class 1-D will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 1-D Claims, and as part of the global settlement between the County and the Sewer Released Parties implemented pursuant to the Plan, on the Effective Date the County shall pay (i) \$10.00 to JPMS and (ii) \$1,250,000.00 to LBSF, in each case from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof. By its acceptance of or non-

objection to confirmation of the Plan, JPMS shall have consented and agreed, pursuant to Bankruptcy Code section 1123(a)(4), to receive less favorable treatment than LBSF on account of its Allowed Class 1-D Claim.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-D Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(d) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(e) Class 1-E (Sewer Swap Agreement Claims).

Class 1-E consists of all Sewer Swap Agreement Claims. Class 1-E is Impaired under the Plan.

The holders of Sewer Swap Agreement Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-E Claims nor will such holders retain any property on account of such Claims, Class 1-E is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-E are not entitled to vote to accept or reject the Plan on account of such Claims.

(f) Class 1-F (Other Standby Sewer Warrant Claims).

Class 1-F consists of all Other Standby Sewer Warrant Claims. Class 1-F is Impaired under the Plan.

The holders of Other Standby Sewer Warrant Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-F Claims nor will such holders retain any property on account of such Claims, Class 1-F is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-F are not entitled to vote to accept or reject the Plan on account of such Claims.

(g) Class 2-A (Series 2004-A School Claims).

Class 2-A consists of all Series 2004-A School Claims. Class 2-A is Impaired under the Plan.

All Claims in Class 2-A will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A School Claims subject to subordination under

Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-A Claim will on account of such holder's Class 2-A Claim retain all of such holder's rights and interests in its Series 2004-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2004-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2004-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-A Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-A Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2004-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-A Claims.

(h) Class 2-B (Series 2005-A School Claims).

Class 2-B consists of all Series 2005-A School Claims. Class 2-B is Impaired under the Plan.

All Claims in Class 2-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2005-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-B Claim will on account of such holder's Class 2-B Claim retain all of such holder's rights and interests in its Series 2005-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2005-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2005-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School

Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.

- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any “orderly liquidation authority” under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-B Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-B Claims on account of the County’s retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the “Jefferson County Limited Obligation School Warrant Revenue Account” established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee’s rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2005-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-B Claims.

(i) **Class 2-C (Series 2005-B School Claims and Standby School Warrant Claims).**

Class 2-C consists of all Series 2005-B School Claims and (to the extent not otherwise included) all Standby School Warrant Claims. Class 2-C is Impaired under the Plan.

All Claims in Class 2-C will be Allowed on the Effective Date. Each holder of an Allowed Class 2-C Claim will on account of such holder's Class 2-C Claim retain all of such holder's rights and interests in its Series 2005-B School Warrants, which will be repaid on the terms and conditions set forth in School Warrant Indenture and the Standby School Warrant Purchase Agreement, in each case as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture and the Standby School Warrant Purchase Agreement shall be modified on the Effective Date in the following respects:

- (i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the New Bank Rate.
- (ii) All School Warrant Events of Default under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (iii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, February 11, 2013, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013, and the Effective Date shall be deemed waived and of no further force or effect: (A) the pendency of the Case; (B) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the County's retention of the Retained Amount in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Case notwithstanding any contrary provision of the School Warrant Indenture. In addition, all School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant

Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the Effective Date shall be deemed waived and of no further force or effect: (x) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; and (y) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

- (iv) Provided that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, each holder of a Class 2-C Claim shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including under the School Insurance Policies. For the avoidance of doubt, if any School Warrant Events of Default (other than those waived pursuant to the provisions described in clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, the holders of Class 2-C Claims will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby School Warrant Purchase Agreement from and after the occurrence of such School Warrant Events of Default. The County will represent at the Confirmation Hearing that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) have occurred under the School Warrant Indenture or the Standby School Warrant Purchase Agreement during the period between February 11, 2013, and the date on which the Confirmation Hearing begins and will request that the Bankruptcy Court include such a finding in the Confirmation Order.
- (v) At least five (5) Business Days prior to the first interest payment date after the Effective Date, the County shall provide the True-Up Certificate to the School Warrant Trustee and direct the School Warrant Trustee: (X) to reduce the aggregate outstanding principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants, and (Y) to subtract the remainder of the True-Up Amount (after giving effect to the principal reduction referenced in clause (X) of this sentence) from the interest otherwise payable on such interest payment date on account of the Series 2005-B School Warrants. Holders of the Series 2005-B School Warrants shall take such actions as may be reasonably requested by the School Warrant Trustee to implement the principal reduction by the True-Up Amount as described herein.
- (vi) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School

Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

- (vii) If the County causes a remarketing of or restructuring of any of the outstanding Series 2005-B School Warrants under the School Warrant Indenture, such remarketing or restructuring shall be for no less than 100% of such outstanding Series 2005-B School Warrants and the Standby School Warrant Purchase Agreement shall be replaced or cancelled contemporaneously with the closing of such remarketing or restructuring, thereby relieving Depfa Bank PLC from its obligations to provide liquidity support with respect to the Series 2005-B School Warrants. For the avoidance of doubt, the preceding sentence is intended to prohibit the County from remarketing or restructuring a portion of the Series 2005-B Warrants and leaving the Standby School Warrant Purchase Agreement in place; further, the preceding sentence is intended to require the County to remarket or restructure the Series 2005-B School Warrants on an all or none basis

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-C Claims shall consent to the execution of the School Warrant Second Supplemental Indenture, in a form acceptable to Depfa Bank PLC, by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-C Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

(j) Class 2-D (School Policy – General Claims).

Class 2-D consists of all School Policy – General Claims. Class 2-D is Impaired under the Plan.

All Claims in Class 2-D will be Allowed on the Effective Date. Notwithstanding anything to the contrary in the School Policy – General, the School Warrant Indenture, or the

Standby School Warrant Purchase Agreement, the holders of Class 2-D Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-D Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(k) Class 2-E (School Surety Reimbursement Claims).

Class 2-E consists of all School Surety Reimbursement Claims. Class 2-E is Impaired under the Plan.

All Claims in Class 2-E will be Allowed on the Effective Date. Notwithstanding anything to the contrary in (i) the School Surety; (ii) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac; (iii) the School Warrant Indenture; or (iv) the Standby School Warrant Purchase Agreement, the holders of Class 2-E Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-E Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(l) Class 3-A (Board of Education Lease Claims).

Class 3-A consists of all Board of Education Lease Claims. Class 3-A is not Impaired under the Plan.

All Claims in Class 3-A will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-A Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. The holders of Board of Education Lease Warrants shall retain all of their limited payment rights and recourse against the collateral securing obligations under the Board of Education Lease Indenture. Consistent with the Board of Education Lease Indenture, the County has no general liability on account of the Board of Education Lease Claims, which fact will be unaltered by the Plan. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-A Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-A Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-A Claims. For the avoidance of doubt, the rights of the Board of Education

Lease Trustee under the Board of Education Lease Indenture, including in respect of any unpaid Board of Education Lease Trustee Fee Claims, are unimpaired by the Plan.

(m) Class 3-B (Board of Education Lease Policy Claims).

Class 3-B consists of all Board of Education Lease Policy Claims. Class 3-B is not Impaired under the Plan.

All Claims in Class 3-B will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-B Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-B Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-B Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-B Claims.

(n) Class 4 (Other Secured Claims, including Secured Tax Claims).

Class 4 consists of all Other Secured Claims, including all Secured Tax Claims. Each Class 4 Claim shall constitute its own subclass. Class 4 is not Impaired under the Plan.

All Claims in Class 4 will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 4 Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. Unless the holder of an Allowed Class 4 Claim in a particular Class 4 subclass agrees to other treatment, on or as soon as is reasonably practicable after the Effective Date, such holder shall receive, at the County's option: (i) Cash in the Allowed amount of such holder's Allowed Class 4 Claim; (ii) the return of the collateral securing such Allowed Class 4 Claim, without representation or warranty by or recourse against the County; or (iii) (A) the cure of any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to such holder's Allowed Class 4 Claim, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (B) the reinstatement of the maturity of such Allowed Class 4 Claim as the maturity existed before any default, without recognition of any default rate of interest or similar penalty or charge; and (C) its unaltered legal, equitable, and contractual rights with respect to such Allowed Class 4 Claim.

The Bankruptcy Court shall retain jurisdiction to determine the amount necessary to satisfy any Allowed Class 4 Claim for which treatment is elected under clause (i) or clause (iii) of the immediately foregoing paragraph. With respect to any Allowed Class 4 Claim for which treatment is elected under clause (i), any holder of such Allowed Class 4 Claim shall release (and by the Confirmation Order shall be deemed to release) all liens against property of the County.

(o) **Class 5-A (Series 2001-B GO Claims and Standby GO Warrant Claims).**

Class 5-A consists of all Series 2001-B GO Claims and (to the extent not otherwise included) all Standby GO Warrant Claims. Class 5-A is Impaired under the Plan.

All Claims in Class 5-A will be Allowed on the Effective Date. However, with the exception of Claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of the BLB GO Claim and the JPMorgan GO Claim), the additional settlement payments set forth in this Section 2.3(o), and the reasonable fees and expenses of the GO Warrant Trustee, the GO Warrant Trustee and the GO Banks will waive and release all other asserted Claims in Class 5-A, including on account of default rate interest, the GO Banks' fees and expenses, and postpetition interest, which will receive no Distribution under the Plan.

On the Effective Date each holder of an Allowed Class 5-A Claim shall receive, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Series 2001-B GO Claims, the following: (1) Cash in the amount of \$123,291.67, to be distributed as specified in Exhibit A to the GO Plan Support Agreement; and (2) a Pro Rata Distribution of Replacement 2001-B GO Warrants, which will be repaid on the terms set forth in the Amended and Restated GO Warrant Indentures. In addition, the County shall pay the following amounts in Cash on the Effective Date as consideration for the settlement, waiver, and release of additional prepetition Claims under the Standby GO Warrant Purchase Agreement: \$500,000 payable to BLB and \$250,000 payable to JPMorgan Chase Bank, N.A.; *provided, however*, that (x) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to BLB pursuant to this sentence; and (y) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to JPMorgan Chase Bank, N.A. pursuant to this sentence; *provided, further*, that the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants and netted against the amounts payable to BLB and JPMorgan Chase Bank, N.A. pursuant to this sentence shall not exceed \$50,000 in the aggregate.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2001-B GO Warrants and the Replacement 2001-B GO Warrants.

In accordance with the GO Warrant Indenture, the County shall pay all reasonable fees and expenses of the GO Warrant Trustee, including the reasonable fees and expenses of its agents and counsel, in Cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) Business Days after the Effective Date. Nothing in the Plan is intended to or will affect the rights and priorities granted to the GO Warrant Trustee pursuant to Sections 12.3(b) and 13.7(b) of the GO Warrant Indenture.

(p) Class 5-B (Series 2003-A GO Claims).

Class 5-B consists of all Series 2003-A GO Claims. Class 5-B is not Impaired under the Plan.

All Claims in Class 5-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2003-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-B Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-B Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2003-A and in its Series 2003-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants, the Series 2003-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2003-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2003-A GO Warrants.

(q) Class 5-C (Series 2004-A GO Claims).

Class 5-C consists of all Series 2004-A GO Claims. Class 5-C is not Impaired under the Plan.

All Claims in Class 5-C will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-C Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-C Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2004-A and in its Series 2004-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such

treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2004-A GO Warrants, the Series 2004-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2004-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2004-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2004-A GO Warrants.

(r) **Class 5-D (GO Policy Claims).**

Class 5-D consists of all GO Policy Claims. Class 5-D is Impaired under the Plan.

All Claims in Class 5-D will be Allowed on the Effective Date, and National shall receive the following payments, in full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-D Claims:

(i) the County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(ii) the County will pay \$2,880,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(iii) the County will pay \$2,965,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015;

(iv) as a compromise and settlement of the National Fees and Expenses Claims, the County will pay National \$1,500,000 in Cash on the Effective Date;

(v) as a compromise and settlement of the National Reimbursement Claims, including National's contention that the National Reimbursement Claims constitute a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the National Reimbursement Payments; *provided, however,* that at any time on or after Effective Date, the County shall have the option to prepay the National Reimbursement Payments in whole or in part without premium or penalty, which prepayment option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the National Reimbursement Payments that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date; and

(vi) The County's obligations to National under the Plan (other than with respect to payment of the National Reimbursement Payments, which obligations will bear no interest) will bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

From and after the Effective Date, the GO Insurance Policies and the GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants and the Series 2004-A GO Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the GO Insurance Policies.

(s) **Class 5-E (GO Swap Agreement Claims).**

Class 5-E consists of all GO Swap Agreement Claims. Class 5-E is Impaired under the Plan.

All Claims in Class 5-E will be Allowed on the Effective Date in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-E Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMorgan Chase Bank, N.A. \$10.00.

(t) **Class 6 (General Unsecured Claims).**

Class 6 consists of all General Unsecured Claims. Class 6 is Impaired under the Plan.

Holders of Allowed Class 6 Claims will receive a Pro Rata Distribution from the General Unsecured Claims Pool on the GUC Payment Date.

Notwithstanding the foregoing, on the Effective Date, (i) JPMS will waive and release any and all rights to receive any Distribution under the Plan on account of the JPMorgan Asserted Recourse Indemnification Claims; (ii) the Sewer Warrant Insurers will waive and release any all rights to receive any Distribution under the Plan on account of their respective Asserted Full Recourse Sewer Claims; and (iii) no Distribution will be made under the Plan on account of the Sewer Warrant Trustee's Asserted Recourse Claim. For the avoidance of doubt, no Asserted Full Recourse Sewer Claims shall be allowed under the Plan, and the County reserves all its rights to dispute any Asserted Full Recourse Sewer Claims that are not waived and released under the Plan (including with respect to the allowance, amount, and priority of any such Claims) after the Effective Date.

(u) **Class 7 (Bessemer Lease Claims).**

Class 7 consists of all Bessemer Lease Claims. Class 7 is Impaired under the Plan.

All Claims in Class 7 will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of the Bessemer Lease Claims, the County shall recognize and perform all of its obligations under the Bessemer Stipulation, including with respect to the New Bessemer Lease. The holders of Class 7 Claims will not receive any additional or other Distributions under the Plan beyond those that such holders receive as a result of the County's performance under the Bessemer Stipulation.

(v) **Class 8 (Other Unimpaired Claims).**

Class 8 consists of all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims. Class 8 is not Impaired under the Plan.

Notwithstanding any other term or provision of the Plan, the legal, equitable, and contractual rights of the holders of Class 8 Claims are unaltered by the Plan, and the Plan leaves unaltered the legal, equitable, and contract rights of all Persons with respect to the Other Unimpaired Claims. Without limitation, the County retains all Causes of Action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Other Unimpaired Claims.

(w) **Class 9 (Subordinated Claims).**

Class 9 consists of all Subordinated Claims. Class 9 is Impaired under the Plan.

The holders of Subordinated Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 9 Claims nor will such holders retain any property on account of such Claims, Class 9 is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 9 are not entitled to vote to accept or reject the Plan on account of such Claims.

Section 2.4. Impaired Classes to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each holder of a Claim in an Impaired Class as of the Ballot Record Date shall be entitled to vote to accept or reject the Plan as provided in the Plan Procedures Order, or in any other order or orders of the Bankruptcy Court.

Section 2.5. Classification Controversies.

(a) If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

(b) If the Bankruptcy Court finds that the classification of any Claim other than a Sewer Debt Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan.

(c) If the Bankruptcy Court finds that the classification of any Sewer Debt Claim is improper, then, subject to Section 2.5(d), such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in the Class (which may or may not be a Class presently set forth in Section 2.3) in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan, and the holder of such Claim shall receive the same treatment under the Plan as is presently set forth in the Class from which such Claim was reclassified.

(d) If as a result of the reclassification of any Sewer Debt Claim pursuant to Section 2.5(c), or in connection with any amendment to the Plan or otherwise, the Plan is no longer an "Acceptable Plan" for purposes of any Sewer Plan Support Agreement, then notwithstanding Section 2.5(c), all Ballots cast as required by such Sewer Plan Support Agreement shall be deemed withdrawn, null, and void unless the voting party to the applicable Sewer Plan Support Agreement has reaffirmed its Ballot in writing. Nothing in this Section 2.5 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement.

Section 2.6. No Section 1111(b)(2) Elections.

Pursuant to Bankruptcy Code section 927, the election under Bankruptcy Code section 1111(b)(2) is not available to holders of Special Revenues Claims under the Plan.

Section 2.7. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

Section 2.8. Cramdown.

With respect to any Impaired Class of Claims that fails to accept the Plan, the County requests that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b), subject to any applicable Plan Support Agreement.

ARTICLE III
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 3.1. Assumption of Certain Executory Contracts and Unexpired Leases.

(a) Assumption of Agreements.

On the Effective Date the County shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements.

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.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include 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 executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

The Confirmation Order will constitute a Bankruptcy Court order approving the assumption, on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule of Assumed Agreements.

(b) Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash, within ten (10) Business Days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the County to provide "adequate assurance of future performance" within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the County unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

(c) Objections to Assumption/Cure Payment Amounts.

Any Person that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure

Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served on the County on or before **October 21, 2013**. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by a Person that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any cure and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that the County has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

(d) Resolution of Claims Relating to Assumed Contracts and Leases.

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or postpetition arrearage or other Claim (including any Claim asserted in a Filed proof of Claim or listed on the List of Creditors) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

Section 3.2. Rejection of Executory Contracts and Unexpired Leases.

(a) Rejected Agreements.

On the Effective Date all executory contracts and unexpired leases that the County entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the County and (ii) are not set forth on the Schedule of Assumed Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired leases that have been previously assumed or assumed and assigned pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

(b) Rejection Bar Date.

Any Rejection Damage Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the County by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the County and its property, and Persons holding such Claims will not receive and be barred from receiving any Distributions on account of such untimely Claims.

Section 3.3. Postpetition Contracts and Leases.

Except as expressly provided in the Plan or the Confirmation Order, all executory contracts and unexpired leases that the County has entered into after the Petition Date with due authorization of the County Commission will be assumed and retained by the County and will remain in full force and effect from and after the Effective Date.

ARTICLE IV
MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

Section 4.1. Consent Under Bankruptcy Code Section 904.

Pursuant to and for purposes of Bankruptcy Code section 904, the County consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

Section 4.2. Continued Governance of the County and the Sewer System.

From and after the Effective Date, the County Commission shall continue to govern the County and shall continue to administer, control, manage, and operate the property and enterprises of the County (including the Sewer System) in accordance with the Plan, the County's constituent documents, any applicable indentures or other governing contracts, the Alabama Constitution, applicable statutes of the State of Alabama, the EPA Consent Decree, the Personnel Board Consent Decree, and other applicable laws.

Section 4.3. Application of the Approved Rate Structure.

From and after the Effective Date, the Confirmation Order shall constitute a conclusive finding and determination that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6) and applicable state law, and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County in accordance with the Plan and under all applicable state and federal laws. From and after the Effective Date, 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).

Section 4.4. Retention of Assets Generally.

Except as otherwise expressly provided in the Plan, all assets and properties of the County shall be retained by the County on the Effective Date, free and clear of all Claims, liens, encumbrances, charges, and interests. From and after the Effective Date, the County may conduct its affairs and use, acquire, and dispose of any assets or property without supervision by

the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

Section 4.5. Certain Transactions on the Effective Date.

(a) On the Effective Date the County shall issue the New Sewer Warrants under the New Sewer Warrant Indenture.

(b) On the Effective Date the County shall issue and deliver the Replacement 2001-B GO Warrants under the Amended and Restated GO Warrant Indentures, along with the initial payments required on the Effective Date pursuant to the Replacement 2001-B GO Warrants and Section 2.3(o).

(c) On or before the Effective Date, the County shall pay each Sewer Warrant Insurer an amount equal to each Sewer Warrant Insurer's respective Covered Tail Risk.

(d) On the Effective Date the County shall execute the School Warrant Second Supplemental Indenture.

(e) On the Effective Date, the County shall execute the Reserve Fund LOC Agreements.

Section 4.6. Disposition of the Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, and Refinancing Proceeds.

(a) As a proposed settlement incorporated into the Plan pursuant to Bankruptcy Rule 9019 of any and all Causes of Action and matters raised in or that could have been raised in the Declaratory Judgment Action, and any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or any Causes of Action related to the reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants, (i) on the Effective Date, Cash in amounts equal to the Reinstated Sewer Warrant Principal Payments (without giving effect to any acceleration or any accelerated redemption schedule), the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount shall be distributed by the Sewer Warrant Trustee to the applicable parties from the Accumulated Sewer Revenues, including with respect to the Sewer Warrants held by the Sewer Plan Support Parties; (ii) for purposes of Distributions under the Plan, no payments made during the Case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Sewer Warrant Principal Payments) shall be applied or recharacterized to reduce principal; and (iii) no Distributions shall be made on account of postpetition interest accrued on any Sewer Warrants in excess of pre-default rates or, with respect to Bank Warrants, the Sewer Bank Rate.

(b) On the Effective Date the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to satisfy the Sewer Warrant Trustee

Fee Claims to the extent unpaid but permitted to be paid under the Sewer Warrant Indenture and to reserve an amount equal to the Sewer Warrant Trustee Residual Fee Estimate. Any such application and reserve by the Sewer Warrant Trustee shall fully, finally, and completely satisfy, discharge, and release all Sewer Warrant Trustee Fee Claims. If and only if there is an Unused Covered Tail Risk Amount, the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to establish a reserve for Sewer Wrap Payment Rights Administration Expenses to the extent and in the amount of the Unused Covered Tail Risk Amount, which the Sewer Warrant Trustee may thereafter invest in an interest-bearing account and utilize to satisfy Sewer Wrap Payment Rights Administration Expenses as such expenses become due. The County shall have no obligation to pay, fund (including from Accumulated Sewer Revenues, Sewer Warrant Indenture Funds, or Refinancing Proceeds), or otherwise provide for any Sewer Wrap Payment Rights Administration Expenses beyond the Unused Covered Tail Risk Amount and such interest as may be obtained through the Sewer Warrant Trustee's investment of the reserve established with the Unused Covered Tail Risk Amount. Notwithstanding anything to the contrary in this Section 4.6(b), if the Unused Covered Tail Risk Amount is less than the Sewer Wrap Payment Rights Administration Expenses and if any applicable Sewer Warrant Insurers will not provide a source of payment for the Sewer Wrap Payment Rights Administration Expenses in excess of the Unused Covered Tail Risk Amount on terms acceptable to the Sewer Warrant Trustee, then the Sewer Warrant Trustee shall have no obligation or responsibility to perform any action that would give rise to Sewer Wrap Payment Rights Administration Expenses.

(c) On the Effective Date, the Sewer Warrant Trustee or the County, as the case may be, shall apply the following funds in the following order for purposes of making the Distributions provided under the Plan for holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D:

(1) first, Refinancing Proceeds (including to Persons entitled to Excess Refinancing Proceeds in accordance with Section 4.19), provided that Refinancing Proceeds shall not be used to satisfy any Series 2003-A Sewer Claims or any Class 1-D Claims;

(2) second, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Remaining Accumulated Sewer Revenues; and

(3) third, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Sewer Warrant Indenture Funds remaining after giving effect to the application permitted or required by Section 4.6(b).

(d) On the Effective Date, all Remaining Accumulated Sewer Revenues and Sewer Warrant Indenture Funds remaining after giving effect to the usage permitted or required by Section 4.6(c) shall be applied in accordance with the New Sewer Warrant Indenture.

Section 4.7. Commutation Election Protocols and Effect on the Sewer Insurance Policies.

(a) Presumptions Regarding the Commutation Election.

All holders of Claims in Class 1-A and Class 1-B that (i) do not return any Ballot by the Ballot Deadline, (ii) return a Ballot by the Ballot Deadline but do not make any election with respect to the Commutation Election, or (iii) return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (x) any holders of the Series 2003-B-8 Sewer Warrants that either do not return a Ballot, do not indicate an election on any Ballot that is returned by the Ballot Deadline, or return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election, and (y) any holders of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the Commutation Election will be sent a notice pursuant to the Plan Procedures Order under which such holders will have an opportunity to rescind the deemed Commutation Election and, upon such rescission, shall be deemed not to have made the Commutation Election for all purposes under the Plan and shall have their Series 2003-C-9 Through C-10 Sewer Claims be treated in accordance with Option 2 of Section 2.3(a).

(b) Plan's Effect on the Sewer Insurance Policies.

As a result of the satisfaction and discharge of all Sewer Debt Claims and the cancellation of the Sewer Warrants and the Sewer Warrant Indenture under the Plan, on the Effective Date (i) the Sewer DSRF Policies and the Sewer DSRF Reimbursement Agreements will be cancelled and of no further force or effect; (ii) the Sewer Warrant Trustee will close the "Jefferson County Sewer System Debt Service Reserve Fund" under the Sewer Warrant Indenture and return any surety bonds or other documentation evidencing the Sewer DSRF Policies to the applicable Sewer Warrant Insurer; and (iii) the Sewer Wrap Policies will be cancelled and of no further force or effect except with respect to any Sewer Wrap Payment Rights, and such Sewer Wrap Policies (in the case of FGIC, as modified by any plan of rehabilitation) shall remain in full force and effect with respect to such Sewer Wrap Payment Rights.

Section 4.8. Compromise and Settlement of All Sewer Debt-Related Issues.

(a) Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, in consideration of the settlement and release of all Sewer Released Claims and the treatment and consideration provided under the Plan for Allowed Class 1-A, Class 1-B, Class 1-C, and Class 1-D Claims, the Plan incorporates and is expressly conditioned upon the approval and effectiveness of a comprehensive compromise and settlement by and among the County and the Sewer Plan Support Parties of numerous issues and disputes related to the Sewer System, the Sewer Released Claims, and the allowance and treatment of the Sewer Debt Claims. As of the Effective Date, the Plan accordingly represents a full, final, and complete compromise, settlement, release, and resolution of, among other matters, disputes and pending or potential litigation (including any appeals) regarding the following: (i) the allowability, amount, priority, and treatment of the Sewer Debt Claims; (ii) the validity or

enforceability of the Sewer Warrants; (iii) the valuation of the Sewer System and of the stream of net sewer revenues pledged under the Sewer Warrant Indenture; (iv) the appropriate rates that have been or can be charged to users of the Sewer System; (v) any Causes of Action or Avoidance Actions that the County has asserted or could potentially assert against the JPMorgan Parties or against other of the Sewer Plan Support Parties, including any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vi) the Sewer Released Claims that (A) some of the Sewer Plan Support Parties have asserted or (B) the Sewer Plan Support Parties could potentially assert against other Sewer Plan Support Parties, including, in each case, any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vii) how the Sewer Warrant Trustee has applied revenues of the Sewer System to payment of certain Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants; (viii) the various issues raised by the Declaratory Judgment Action; (ix) the scope and extent of any liens or other property rights under the Sewer Warrant Indenture; (x) whether, and the extent to which, the County may recover from Sewer System revenues amounts actually incurred or previously paid by the County on account of professional fees prior to and during the Case; (xi) the allowance and amount of any Bank Warrant Default Interest Claims; (xii) the priority of the LBSF Periodic Payment Claim, the various issues raised by the LBSF Periodic Payment Claim, and the Sewer Warrant Trustee's treatment of and obligations with respect to that Claim; (xiii) the various issues raised by the Receivership Actions; and (xiv) other historical and potential issues associated with the Sewer System and its financing.

(b) This comprehensive compromise and settlement will be binding on the County, on all Persons who have asserted or could assert any potential Causes of Action or Avoidance Actions for or on behalf of the County in any fashion, including derivatively or directly, and on all Creditors concerning the Sewer Released Claims compromised and settled under the Plan (including as described in Section 4.8(a)) in any pending or potential litigation (including any appeals) before any court or agency. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of disputed Sewer Released Claims inextricably bound with the Plan. As such, the approval and consummation of the Plan will conclusively bind all Creditors and other parties in interest, and the releases and settlements effected under the Plan will be operative as of the Effective Date and subject to enforcement by the Bankruptcy Court from and after the Effective Date, including pursuant to the injunctive provisions of Sections 6.2 and 6.3.

(c) In order to give effect to this comprehensive compromise and settlement, (i) any adversary proceedings or contested matters involving Sewer Released Claims shall be dismissed effective as of the Effective Date; and (ii) in connection with the occurrence of the Effective Date, each of the County, the Sewer Plan Support Parties, and the Sewer Warrant Trustee (as applicable) shall file in other appropriate courts stipulations of dismissal among the applicable parties or motions to dismiss any pending litigation (including any appeals) commenced by the County, any of the Sewer Plan Support Parties, or the Sewer Warrant Trustee against the County

or any of the Sewer Plan Support Parties with prejudice, with such dismissals to be effective on and contingent upon the occurrence of the Effective Date.

Section 4.9. JPMorgan Reallocation of Distributions and Consideration Provided by the Sewer Warrant Insurers.

(a) The Sewer Warrant Claims and Bank Warrant Claims held by the JPMorgan Parties shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants held by the JPMorgan Parties and (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to such Sewer Warrants, and shall be classified in Class 1-A and Class 1-B, respectively. Notwithstanding the general treatment afforded to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, as part of the global settlement among the County, the JPMorgan Parties, and the other Sewer Plan Support Parties to be implemented pursuant to the Plan pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, and in consideration of the settlement and release of all Sewer Released Claims against the JPMorgan Parties as provided herein, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein, to make the Commutation Election with respect to all Sewer Warrants held by the JPMorgan Parties (but without receiving the higher recovery being made available to all other holders of Sewer Warrants that make or are deemed to make the Commutation Election), to provide the Reserve Fund LOC, and to reallocate to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims a substantial portion of the JPMorgan Parties' Pro Rata share of the Distribution made to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, thereby increasing the recovery received by all other holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims and reducing the amount of Sewer System indebtedness following the County's emergence from chapter 9. As a result of such reallocation by the JPMorgan Parties and the contributions by the Sewer Warrant Insurers detailed below, each holder of an Allowed Class 1-A Claim or an Allowed Class 1-B Claim (other than the JPMorgan Parties) will receive, in full settlement, satisfaction, release, and exchange of such holder's Claims, a Distribution of Cash from Refinancing Proceeds and other sources of Cash in one of the two amounts specified in Option 1 and Option 2 of Sections 2.3(a) and 2.3(b). Such Distribution is higher than such holders' Pro Rata share of the Distribution made to all holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims; and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims. The sources of the incremental recovery to those holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties; and (ii) consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims

against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election on account of such Claims. The source of the Non-Commutation True-Up Amount and the Covered Tail Risk to be paid to the Sewer Warrant Insurers pursuant to Section 2.3(c) shall also be from the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties.

(b) Based upon the agreements of the Supporting Sewer Warrantholders set forth in Section 5 of the Supporting Sewer Warrantholder Plan Support Agreement, which agreement was reached in order to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, to reallocate and distribute to each Supporting Sewer Warrantholder a portion of the JPMorgan Parties' Cash recovery under the Plan after giving effect to the reallocations described in Section 4.9(a) above in an amount (such amount so reallocated and distributed, the "Supporting Sewer Warrantholder Directed Distribution") equal to (i) the principal amount of Eligible Sewer Warrants held by such Supporting Sewer Warrantholder as of the Distribution Record Date, multiplied by (ii) 3.00%; *provided, however*, that the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement on the date of execution thereof, and the aggregate amount of the Supporting Sewer Warrantholder Directed Distribution shall not exceed the product of the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement multiplied by 3.00%. Subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, on or before the Effective Date, the JPMorgan Parties shall provide irrevocable directions to the County and the Sewer Warrant Trustee to reallocate and Distribute to each Supporting Sewer Warrantholder, instead of to the JPMorgan Parties, such Supporting Sewer Warrantholder's Pro Rata share of the Supporting Sewer Warrantholder Directed Distribution.

(c) Accordingly, without giving effect to the Reserve Fund LOC and after giving effect to the reallocations described in Section 4.9(a) and the Supporting Sewer Warrantholder Directed Distribution, but subject to the potential receipt of Excess Refinancing Proceeds pursuant to Section 4.19, the JPMorgan Parties shall receive, on the Effective Date, Cash in the amount of \$273 million, which is approximately 22% of the Adjusted Sewer Warrant Principal Amount of Sewer Warrants held by the JPMorgan Parties (approximately \$1.218 billion), plus a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a) in full, final, and complete settlement, satisfaction, release, and discharge of all Sewer Debt Claims and Sewer Released Claims held by the JPMorgan Parties. After giving effect to the concessions by the JPMorgan Parties and the Sewer Warrant Insurers described above and the settlements and releases to be implemented pursuant to the Plan, the Sewer Debt Claims held by the JPMorgan Parties and the Sewer Warrant Insurers shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Section 4.10. Cancellation of Warrants and Other Documents.

(a) On the Effective Date, except to the extent otherwise expressly provided in the Plan, all agreements, certificates, indentures, instruments, notes, resolutions, warrants, and other documents evidencing indebtedness of the County, and all liens, mortgages, pledges, grants, trusts, and other interests relating thereto, shall be automatically cancelled, and all obligations of the County thereunder or in any way related thereto shall be discharged. Without limitation and in addition to the provisions of Section 4.7(b), on the Effective Date (i) the Sewer Warrants will be discharged and cancelled, provided that such discharge and cancellation shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights; (ii) the Sewer Warrant Indenture will be cancelled and of no further force or effect other than for purposes of allowing the Sewer Warrant Trustee to calculate and make Distributions in accordance with the Plan, to seek and obtain dismissals of the Receivership Actions and other applicable pending litigation, and, if applicable, to pursue and administer the Sewer Wrap Payment Rights after the Effective Date (which, for the avoidance of doubt, will impose no cost or expense on the County beyond any Unused Covered Tail Risk Amount); (iii) the Sewer Swap Agreements will be cancelled and of no further force or effect; (iv) the Standby Sewer Warrant Purchase Agreements will be cancelled and of no further force or effect; (v) the Standby GO Warrant Purchase Agreement will be cancelled and of no further force or effect; (vi) the GO Warrant Indenture will be superseded in all respects by the Amended and Restated GO Warrant Indentures; (vii) the Series 2001-B GO Warrants will be cancelled and superseded in all respects by the Replacement 2001-B GO Warrants; and (viii) the GO Swap Agreement will be cancelled and of no further force or effect. From and after the Effective Date, all Plan Support Agreements will be terminated and superseded in all respects by the Plan, except with respect to any provisions that specifically survive termination of the Plan Support Agreements in accordance with their respective terms.

(b) For the avoidance of doubt, the Plan will not cancel or otherwise alter any of the following documents or instruments except to the extent otherwise expressly provided in the Plan: (i) the Board of Education Lease Indenture, (ii) the Board of Education Lease Policy, (iii) the Board of Education Lease Warrants, (iv) the GO Insurance Policies, (v) the GO Resolutions, (vi) the New Bessemer Lease, (vii) the School Insurance Policies, (viii) the School Warrant Indenture, (ix) the School Warrants, (x) the Series 2003-A GO Warrants, (xi) the Series 2004-A GO Warrants, and (xii) the Standby School Warrant Purchase Agreement.

Section 4.11. Termination of Receiver and Dismissal of Receivership Actions.

As a result of the satisfaction and discharge of all Sewer Debt Claims, as well as the cancellation of the Sewer Warrants, the Sewer Warrant Indenture, and the Sewer Insurance Policies (as applicable) under the Plan, from and after the Effective Date, the Receiver's status as receiver of the Sewer System will be terminated and of no further force or effect. On or as soon as reasonably practicable after the Effective Date, the Sewer Warrant Trustee shall pay all of the Receiver's unpaid reasonable fees (including fees of its counsel and experts) and expenses from the Sewer Warrant Indenture Funds and shall dismiss (or obtain any court orders as are necessary to dismiss) each of the Receivership Actions in their entirety and with prejudice.

Section 4.12. Vesting of Preserved Claims.

All Preserved Claims shall be preserved and shall vest in the County on the Effective Date, but only to the extent not expressly released pursuant to the Plan, the Confirmation Order, or any other order of the Bankruptcy Court. From and after the Effective Date, the County shall retain its exclusive right, power, and duty to administer the collection, prosecution, enforcement, settlement, or abandonment of the Preserved Claims in the County's sole and absolute discretion.

Section 4.13. Exemption from Securities Law.

(a) The issuance of the Replacement 2001-B GO Warrants and the New Sewer Warrants are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and all rules and regulations promulgated thereunder. In general, securities issued by the County, such as general obligation warrants and sewer revenue warrants, are exempt from registration under section 3(a)(2) of the 1933 Act. Obligations issued by the County likewise are exempt from registration under current Alabama securities law. These exemptions from registration apply to the New Sewer Warrants and the Replacement 2001-B GO Warrants.

(b) The New Sewer Warrants (other than the Reserve Fund Reimbursement Warrants) will be publically offered. Therefore, the County intends to rely on generally applicable securities law exemptions for the offering and sale of the New Sewer Warrants, provided that the County does not expect to offer the New Sewer Warrants in states in which registration of County securities may be required by applicable state securities law, unless first registered or otherwise qualified for sale in such jurisdiction. The Replacement 2001-B GO Warrants will not be publically offered but instead will be issued to the GO Banks pursuant to the Plan. The Replacement 2001-B GO Warrants will also be exempt from registration under federal or state securities law to the maximum extent provided under Bankruptcy Code section 1145.

(c) Like the exemption from registration provided to the County under section 3(a)(2) of the 1933 Act, generally applicable securities laws provide an exemption from qualification for certain trust indentures entered into by government entities. The New Sewer Warrant Indenture and the Amended and Restated GO Warrant Indentures are each exempt from qualification under section 304(a)(4) of the Trust Indenture Act of 1939.

(d) Nothing in the Plan or the Confirmation Order, including Articles 5 and 6 of the Plan, is intended (i) to preclude the Securities and Exchange Commission from performing its statutory duties, including pursuing any causes of action (including those asserted in the case of *SEC v. Charles LeCroy, et al.*, Case No. 2:09-cv-02238 (N.D. Ala.)), regarding any Person in any forum with proper jurisdiction; or (ii) without limiting the discharge of the County under the Bankruptcy Code, to excuse any Person from being subject to any action brought by the Securities and Exchange Commission on account of such Person's non-compliance with applicable securities law.

Section 4.14. Objections to Claims.

(a) County's Exclusive Right to Object.

The County shall have the right to object to the allowance of Claims as to which liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). Except as otherwise provided herein, the County's rights to object to, oppose, and defend against all Claims on any basis are fully preserved. Unless otherwise ordered by the Bankruptcy Court, the County shall file and serve any such objections on or before the Claims Objection Deadline. After the Effective Date, the County shall have the sole right and authority to control and effectuate the Claims reconciliation process, including to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) Distributions Following Allowance.

At such time as a Contingent Claim, a Disputed Claim, or an Unliquidated Claim becomes an Allowed Claim, in whole or in part, including pursuant to the Plan, the County or its agent shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions, if any, shall be made as soon as practicable after the date on which the order or judgment allowing such Claim becomes a Final Order (or such other date on which the Claim becomes an Allowed Claim, including pursuant to the Plan). Unless otherwise specifically provided in the Plan or allowed by a Final Order of the Bankruptcy Court, no interest shall be paid on Contingent Claims, Disputed Claims, or Unliquidated Claims that later become Allowed Claims.

Section 4.15. Distributions Under the Plan.

Unless otherwise provided in the Plan, the following procedures apply to Distributions.

(a) Responsibility for Making Distributions.

The County or its designated agents, including the Indenture Trustees and the GO Paying Agents under Section 4.15(e)(iv), shall be responsible for distributing all Distributions made to them for the benefit of the holders of the respective underlying warrants and Claims as required under the Plan and, unless otherwise specified in the Plan, pursuant to the applicable operative documents. To the extent applicable, the County or its designated agents shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit with respect to such Distributions, and all Distributions shall be subject to such withholding and reporting requirements.

(b) No De Minimis Distributions.

Notwithstanding anything to the contrary in the Plan, with the exception of Distributions on account of Class 1-D Claims and Class 5-E Claims, no Cash payment of less than fifty dollars (\$50.00) will be made to any Person; *provided, however*, that solely with respect to Distributions from the General Unsecured Claims Pool, if the right to payment of a holder of an Allowed Class 6 Claim does not exceed fifty dollars (\$50.00) on the GUC Payment Date, then such holder will

receive a Cash payment in an amount equal to such holder's entitlement. No consideration will be provided in lieu of the *de minimis* Distributions that are not made pursuant to this Section 4.15(b), and the County shall be authorized and empowered to retain such *de minimis* amounts for its own benefit.

(c) **No Distributions With Respect to Certain Claims.**

Notwithstanding anything to the contrary in the Plan, no Distributions or other consideration of any kind shall be made on account of any Contingent Claim, Disputed Claim, or Unliquidated Claim unless and until such Claim becomes an Allowed Claim, or is deemed to be such for purposes of distribution, and then only to the extent that such Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim.

(d) **Distributions to Holders as of the Distribution Record Date.**

(i) **General Principles.**

At the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holder of any Claim. The County or any other Person responsible for making Distributions shall have no obligation to recognize any transfer of any Claim occurring or purportedly occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Distribution Record Date.

(ii) **Specific Exceptions.**

The general principles set forth in Section 4.15(d)(i) will not apply to Claims arising from the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants (other than any GO Policy Claims), or the Series 2004-A GO Warrants (other than any GO Policy Claims). Subject in all cases to the treatment provided under the Plan, nothing in the Plan will limit the rights of a holder of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants to assign, sell, pledge, hypothecate, or otherwise transfer its warrants to the extent permitted by such warrants, any other applicable operative agreements, and applicable nonbankruptcy law. Subject to the terms of the applicable operative agreements and any requirements under applicable nonbankruptcy law, the County and any applicable Indenture Trustee or GO Paying Agent shall recognize and give effect to assignments, sales, pledges, hypothecations, or other transfers of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants regardless whether such assignments, sales, pledges, hypothecations, or other transfers were made or settled before, on, or after the Distribution Record Date.

(e) **Delivery of Distributions; Undeliverable/Unclaimed Distributions.**

(i) **Delivery of Distributions in General.**

The County or its designated agents shall make Distributions to each holder of an Allowed Claim as follows: (A) by mail at the address set forth on the proof of Claim Filed by

such holder in respect of such Allowed Claim, unless such holder has provided written notice of address change to the County; (B) by mail at the address set forth in the most recent written notice of address change delivered to the County after the date of any related proof of Claim; (C) by mail at the address reflected in the List of Creditors if no proof of Claim is filed and the County has not received a written notice of a change of address; or (D) through the facilities of DTC for the benefit of the holders of Allowed Sewer Debt Claims. Notwithstanding the foregoing, the County shall make Distributions on account of Allowed Class 1-C Claims directly to holders of Class 1-C Claims pursuant to directions provided to the County by the Sewer Warrant Insurers, and the County and Sewer Warrant Insurers shall provide such information as is necessary in order to prevent the Sewer Warrant Trustee or DTC from making any additional or other Distributions on account of any Allowed Class 1-C Claims.

(ii) Undeliverable and Unclaimed Distributions.

If the County tenders an Undeliverable Distribution, the issuing entity may cancel the distribution check and need not re-attempt delivery, unless the County timely receives notification of the holder's new address before the deadlines described below. If the County tenders an Unclaimed Distribution, the issuer may cancel the distribution check, and need not attempt redelivery, except as otherwise provided herein.

The County shall reserve the funds with respect to all Undeliverable Distributions and Unclaimed Distributions for one (1) year following the Effective Date. If the County does not receive prior to that date a written request from the holder of the applicable Allowed Claim asserting entitlement to an Undeliverable Distribution or Unclaimed Distribution and providing a current address, then the County shall be authorized and empowered to retain such funds for its own benefit.

Any holder of an Allowed Claim that does not assert in writing its entitlement to an Undeliverable Distribution or Unclaimed Distribution, by the applicable dates set forth in the foregoing paragraphs, no longer shall have any interest in or be entitled to such undelivered or unclaimed Distribution and shall be barred forever from receiving any Distributions under the Plan, or from asserting a Claim against the County or its property, and the right to such undeliverable or unclaimed Distribution will be discharged.

For the avoidance of doubt, the foregoing provisions regarding Undeliverable Distributions or Unclaimed Distributions will not apply to Distributions made on account of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D.

Nothing contained in the Plan shall require the County or its designated agents to attempt to locate any holder of an Allowed Claim.

(iii) Estimation of Certain Claims for Distribution Purposes.

The County may move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim. The estimated amount of any Claim so determined by the Bankruptcy Court shall constitute the maximum recovery that the holder thereof may recover after the ultimate liquidation of its Claim, irrespective of the actual amount that is ultimately Allowed.

(iv) Certain Distributions to be Made to the Indenture Trustees or the GO Paying Agents.

(A) Sewer Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Sewer Warrant Claims, Bank Warrant Claims, and Primary Standby Sewer Warrant Claims shall be made by the County in aggregate, lump-sum payments to the Sewer Warrant Trustee, and will in turn be distributed by the Sewer Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts (all of which will be deemed satisfied pursuant to Section 4.6(b)).

(B) GO Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Series 2001-B GO Claims and Standby GO Warrant Claims shall be made by the County in aggregate, lump-sum payments to the GO Warrant Trustee, and will in turn be distributed by the GO Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts.

(C) Other Indenture Trustees and Paying Agents.

With respect to all preexisting warrants that will remain outstanding under the Plan (i.e., the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants), the County will make post-Effective Date payments on account of such warrants to the applicable Indenture Trustee or GO Paying Agent, which Indenture Trustee or Paying Agent shall thereafter distribute such payments to holders of such warrants in accordance with the applicable operative agreements.

(v) Surrender of Instruments.

On the Effective Date, each holder of a certificated instrument, warrant, or note that (A) gives rise to any Sewer Debt Claims or (B) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. On the Effective Date, each holder of a global certificated instrument, warrant, or note that is held pursuant to the book-entry system operated by DTC and that (X) gives rise to any Sewer Debt Claims or (Y) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee in accordance with the Rules and Operational Arrangements of DTC, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. Upon issuance and delivery of the New Sewer Warrants and completion of Distributions required under the Plan, the Sewer Warrant Trustee shall cancel all outstanding Sewer Warrants on the

records of DTC and destroy all associated original physical certificates, provided that such cancellation and destruction shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights. Upon issuance and delivery of the Replacement 2001-B GO Warrants, the GO Warrant Trustee shall cancel all outstanding Series 2001-B GO Warrants on the records of DTC and destroy all associated original physical certificates.

(f) **Full, Final, and Complete Settlement and Satisfaction.**

The Distributions and other treatment provided under the Plan for each holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such holder's Claims against the County, against the County's property, or any Claims released under the Plan.

(g) **Limitations on Distributions Payable to Persons Liable to County.**

No Distribution will be made on account of any Claim of any Person against which the County has any affirmative Causes of Action (excluding all GO Released Claims and all Sewer Released Claims), and such Person's Claim shall be deemed to be a Disallowed Claim pursuant to the Plan, unless and until such time as all Causes of Action (excluding all GO Released Claims and all Sewer Released Claims) against that Person have been settled or resolved by a Final Order and such Person has paid the entire amount for which such Person is liable to the County.

(h) **Deemed Acceleration of the Sewer Warrants.**

For all purposes, including Distributions under the Plan, all series and subseries of the Sewer Warrants shall be deemed accelerated, as of the Effective Date, after payment of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, which acceleration shall occur immediately and before any other Distribution of consideration on the Effective Date; *provided, however*, that such acceleration will not be deemed to release any of the Sewer Wrap Policies with respect to Sewer Wrap Payment Rights except as a result of any Sewer Warrant Insurer's payment of the Outstanding Amount on the applicable series or subseries of non-commuted Sewer Warrants as set forth in the last sentence of this paragraph. With respect to any series or subseries of Sewer Warrants as to which the Commutation Election is not made or deemed not to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to pay the Outstanding Amount on such series or subseries of Sewer Warrants, the Sewer Warrant Trustee shall be deemed as of the Effective Date or, if later, as of the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries of Sewer Warrants, to have submitted a draw request under each applicable Sewer Wrap Policy in respect of the Outstanding Amount on such non-commuted series or subseries of Sewer Warrants, and each such Sewer Warrant Insurer shall be entitled (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to treat the Outstanding Amount as "Due for Payment" (as such term is defined in the applicable Sewer Wrap Policy and for purposes of such Sewer Wrap Policy) as of the Effective Date or as of such later date on which the applicable Sewer Warrant

Insurer elects to pay such Outstanding Amount. Payment, as provided in the applicable Sewer Wrap Policy, of the Outstanding Amount on any series or subseries of non-commuted Sewer Warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable Sewer Wrap Policy and to fully release all Sewer Wrap Payment Rights with respect to such Sewer Warrants.

Section 4.16. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the County, the County may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Causes of Action of any nature whatsoever that the County may have against the claimant and that is not a GO Released Claim or a Sewer Released Claim. If the County elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the County's setoff or recoupment; *provided, however*, that the claimant will be provided with written notice of the proposed setoff or recoupment at least ten (10) Business Days prior thereto, and, if the claimant files a written objection to such proposed setoff or recoupment, the County shall not proceed with the setoff or recoupment absent the withdrawal of the claimant's objection or the entry of an order overruling the objection, but the County may in all events withhold any Distributions on account of such Claim pending resolution of the claimant's objection; *provided further, however*, that neither the failure to setoff against or recoup from any Claim nor the allowance of any Claim shall constitute a waiver or release by the County of any Causes of Action the County may have against the subject claimant.

Section 4.17. Motion Under Bankruptcy Code Section 364.

The Plan constitutes a motion by the County seeking the Bankruptcy Court's approval of the incurrence of all indebtedness, extensions of credit, and grants of liens necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of New Sewer Warrants under the Plan, the incurrence of any underwriting or other transaction fees to be paid at closing, the provision of the New Sewer Wrap Policy, and the delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements. Confirmation of the Plan shall constitute a conclusive determination that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness, extensions of credit, and grants of liens to the maximum extent permitted by law. Confirmation of the Plan shall also constitute a conclusive determination that all such indebtedness, extensions of credit, and grants of liens were extended and incurred in good faith and in compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law. As such, upon the occurrence of the Effective Date, the participants in the offering of New Sewer Warrants under the Plan, the Persons receiving any underwriting or other transaction fees to be paid at closing, and those Persons providing the New Sewer Wrap Policy and the Reserve Fund LOC will be, in each case, entitled to the full protections and rights afforded by Bankruptcy Code section 364(e) with respect to such transactions.

Section 4.18. The Effective Date.

The Plan shall not become binding unless and until the Effective Date occurs. The Effective Date will be a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which all of the following conditions have been satisfied as set forth below, or waived as set forth in Section 4.18(b). Unless waived pursuant to Section 4.18(b), the Effective Date of the Plan shall not occur until each of the following conditions precedent has occurred or will occur simultaneously with the Effective Date of the Plan.

(a) Conditions to the Effective Date.

(i) The Confirmation Order shall (A) be entered and in full force and effect in form and substance acceptable to (1) the County, (2) the Sewer Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable Sewer Plan Support Party, and (3) the GO Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable GO Plan Support Party; and (B) not be subject to any stay;

(ii) The County shall have entered into the Closing Agreement; *provided, however*, that if any settlement payment is required to be made to the Internal Revenue Service, such payment shall be payable exclusively from Accumulated Sewer Revenues or gross Sewer System revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate consideration to be paid to holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, or any other payments described herein to be paid to the Sewer Plan Support Parties;

(iii) The aggregate Tail Risk and the aggregate Covered Tail Risk shall each not exceed \$25.0 million;

(iv) No Sewer Warrant Insurer will be subject to any Tail Risk on or after the Effective Date in an amount in excess of its Covered Tail Risk;

(v) The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate Refinancing Proceeds and other Cash consideration required to make the payments to (A) holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims shall be available and shall have been paid under the Plan to the Sewer Warrant Trustee for Distribution in accordance with the Plan on the Effective Date; and (B) holders of Allowed Class 1-C Claims (including the Sewer Warrant Insurers Outlay Amount) shall be available and shall have been paid under the Plan to the applicable Sewer Warrant Insurer in accordance with the Plan and the Sewer Warrant Insurers Agreements on the Effective Date;

(vi) The Sewer Plan Support Agreements and the Sewer Warrant Insurers Agreements shall be in full force and effect and any and all payments (A) required under (the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer (or are paid

simultaneously with the other payments to the Sewer Warrant Insurers required under the Plan); and (B) on account of Covered Tail Risk shall have been paid in full in Cash;

(vii) All of the settlements, releases, and injunctions contemplated by the Plan (including the settlement and release under the Plan of the Causes of Action asserted in the Bennett Action and the Wilson Action) shall have been approved pursuant to the Confirmation Order, and any pending litigation (including any appeals) commenced by the County or any of the Sewer Plan Support Parties against any of the Sewer Plan Support Parties shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice;

(viii) The Effective Date shall have occurred on or before December 31, 2013;

(ix) The Plan (as confirmed by the Confirmation Order), the Plan Supplement, and all other documents, instruments, agreements, writings, and undertakings required under the Plan (A) shall be in form and substance satisfactory to the County (and, to the extent required by any applicable Plan Support Agreement or the Plan, approved by the applicable Plan Support Party or Parties); (B) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and (C) and, to the extent required by any applicable Plan Support Agreement or the Plan, shall be (or simultaneously with the occurrence of the Effective Date will be) effective;

(x) The Supporting Sewer Warrantholder Directed Distribution shall have been approved pursuant to the Confirmation Order and paid to the Supporting Sewer Warranholders;

(xi) Assured shall have issued the New Sewer Wrap Policy and JPMorgan Chase Bank, N.A. shall have delivered the Reserve Fund LOC;

(xii) All Excess Refinancing Proceeds, if any, shall have been paid to the Persons entitled to such Excess Refinancing Proceeds in accordance with Section 4.19 on the Effective Date; and

(xiii) The County, the Sewer Liquidity Banks, the Sewer Warrant Insurers, the Supporting Sewer Warranholders, and the JPMorgan Parties shall have each acknowledged in writing (which writing may take the form of an email exchange among their respective counsel) that all conditions to the Effective Date have been satisfied or waived (or will be satisfied or waived simultaneously with the occurrence of the Effective Date).

(b) Waiver of Conditions.

The requirement that the conditions to the occurrence of the Effective Date be satisfied may be waived in whole or in part by mutual written agreement by (i) the County and each Sewer Plan Support Party (or, in the case of the Supporting Sewer Warranholders, the "Majority Eligible Warranholders" as defined in the Supporting Sewer Warrantholder Plan Support Agreement if such waiver may be effected by the Majority Eligible Warranholders under the Supporting Sewer Warrantholder Plan Support Agreement) that is affected by the subject condition; or (ii) the County and each GO Plan Support Party that is affected by the subject condition, solely with respect to conditions (i), (vii), and (ix). Any such waiver may be effected

at any time, without advance notice, leave, or order of the Bankruptcy Court and without any formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

(c) **Effect of Failure of Conditions.**

In the event that the conditions to the occurrence of the Effective Date have not been timely satisfied or waived pursuant to Section 4.18(b), and upon notification Filed by the County with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the County and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee will be restored to their rights as if the Plan, the Plan Support Agreements, any Plan Term Sheets referenced therein, and the Sewer Warrant Insurers Agreements were never entered into, and all claims and defenses of the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee shall be fully reserved; (v) any and all Ballots with respect to the Plan delivered by each of the Plan Support Parties shall be immediately withdrawn, and such Ballots shall be null and void for all purposes and shall not be considered or otherwise used in any manner; and (vi) all of the County's obligations with respect to Claims shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the County or any other Person or to prejudice in any manner the rights, claims, or defenses of the County or any other Person in any further proceedings involving the County. Nothing in the foregoing sentence shall alter or limit any Person's rights under any Plan Support Agreement.

(d) **Notice of the Effective Date.**

Promptly after the occurrence of the Effective Date, the County or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Damage Claims; (iv) the deadline established under the Plan for the filing of Administrative Claims; and (v) such other matters as the County finds appropriate.

Section 4.19. Recoupment of Excess November 2013 Sewer Creditor Concessions.

On the Effective Date, all Excess Refinancing Proceeds shall be applied in the following order for purposes of making Distributions to the specified parties:

(a) an amount equal to 100% of the Excess Refinancing Proceeds – First Tranche shall be paid to the JPMorgan Parties;

(b) (i) an amount equal to 50% of the Excess Refinancing Proceeds – Second Tranche shall be paid to the JPMorgan Parties; (ii) an amount equal to 11.666% of the Excess Refinancing Proceeds – Second Tranche shall be paid to FGIC; (iii) an amount equal to 11.457% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Assured; (iv) an amount equal to 10.207% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Syncora; (v) an amount equal to 14.42% of the Excess Refinancing Proceeds – Second Tranche

shall be paid Pro Rata to the Supporting Sewer Warrantholders; and (vi) an amount equal to 2.25% of the Excess Refinancing Proceeds – Second Tranche shall be paid Pro Rata to the Sewer Liquidity Banks; and

(c) an amount equal to 100% of the Excess Refinancing Proceeds – Third Tranche shall be paid to the JPMorgan Parties.

ARTICLE V

OTHER PLAN PROVISIONS

Section 5.1. Exculpation of GO Released Parties, Sewer Released Parties, and the School Warrant Trustee Regarding the Bankruptcy and Plan Process.

To the maximum extent permitted by law, neither the GO Released Parties, nor the Sewer Released Parties, nor the School Warrant Trustee, nor any of their respective Related Parties shall have or incur any liability to any Person, including any holders of GO Warrants, Sewer Warrants, or School Warrants, for any act or omission occurring on or before the Effective Date in connection with, related to, or arising out of the Case, the Plan Support Agreements, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan or any compromises or settlements contained herein, the Disclosure Statement, or any contract, instrument, release, or other agreement or document provided or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however*, that the foregoing provisions shall not affect the liability of any Person that otherwise would result from any such act or omission occurring on or prior to the Effective Date to the extent that such act or omission is determined in a Final Order to have constituted willful misconduct or fraud. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court conclusively will be deemed not to constitute willful misconduct or fraud unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the GO Released Parties, the Sewer Released Parties, the School Warrant Trustee, and their respective Related Parties shall be entitled to rely on the advice of their respective counsel with respect to their duties and responsibilities in connection with the Case and the Plan.

Section 5.2. Revocation of the Plan; No Admissions.

Subject to each of the Sewer Plan Support Agreements, the County reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. Notwithstanding anything to the contrary in the Plan, if the Plan is not confirmed or if the Effective Date does not occur, the Plan (and the Confirmation Order, if entered) will be null and void and inadmissible as evidence in any proceeding, and nothing contained in the Plan, the Disclosure Statement, or the Confirmation Order (if entered) will (a) be an admission by the County, any of the Plan Support Parties, the Sewer Warrant Trustee, or the School Warrant Trustee with respect to any matter set forth therein, including liability on any Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgment, or release of any Claims against the County or its property, or of any Causes of Action; or (c) prejudice in any manner the rights of any Person in any further proceedings. Nothing in this Section 5.2 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement. In addition, nothing in the Plan,

the comprehensive compromise and settlement described in Section 4.8(a), or any other compromises and settlements implemented under the Plan shall be deemed to be an admission or evidence of wrongdoing or, except with respect to obligations created under or pursuant to the Plan, liability on the part of any GO Released Party, any Sewer Released Party, or any of their respective Related Parties.

Section 5.3. Modification of the Plan.

Subject to the restrictions set forth in Bankruptcy Code section 942 and in each of the Sewer Plan Support Agreements, the County reserves the right to alter, amend, or modify the Plan at any time before the Confirmation Date.

Section 5.4. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. All rights of each Plan Support Party under the applicable Plan Support Agreement are fully reserved if any such holding, alteration, or interpretation means that the Plan is no longer an "Acceptable Plan" for purposes of the applicable Plan Support Agreement. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section 5.4, is valid and enforceable under its terms.

Section 5.5. Inconsistencies.

To the extent of any inconsistencies between the Plan, on the one hand, and the Disclosure Statement, any Plan Support Agreement, or any Ballot, on the other hand, the terms and provisions contained in the Plan shall govern.

Section 5.6. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, instruments, and documents executed in connection with the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama without giving effect to the principles of conflict of laws thereof.

Section 5.7. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

Section 5.8. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the County, all the Plan Support Parties, the Sewer Warrant Trustee, the School Warrant Trustee, the FGIC Rehabilitator, and all their respective Related Parties have acted in good faith in connection therewith.

Section 5.9. Effectuating Documents and Further Transactions.

Each of the officials and employees of the County is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

Section 5.10. Validation of the New Sewer Warrants.

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 substantially as follows:

The New Sewer Warrants were authorized and will be issued as of the Effective Date as a means of implementing the Plan and providing for the satisfaction of Sewer Debt Claims in accordance with the Bankruptcy Code.

The County has the authority under the constitution and laws of the State of Alabama and the Plan to adopt the Rate Resolution, to execute, deliver and perform its obligations under the New Sewer Warrant Indenture, and to issue, execute, and deliver the New Sewer Warrants pursuant to the Plan.

All actions and things required under the provisions of applicable law to be had and done in this proceeding preliminary to the entry of this Confirmation Order have been had and done in the manner provided by law. This Confirmation Order will be forever conclusive against, among others, the County and all taxpayers and citizens of the County.

The indebtedness evidenced and ordered paid by the New Sewer Warrants shall be a limited obligation of the County, payable solely from the System Revenues derived from the operation of the Sewer System. The general faith and credit of

the County shall not be pledged to the payment of the principal of or the interest or premium (if any) on the New Sewer Warrants, and the New Sewer Warrants shall not be general obligations of the County.

The New Sewer Warrants shall not constitute a debt or indebtedness of the County under the provisions of Section 224 of the Constitution of the State of Alabama, as amended, because the principal of and interest on the New Sewer Warrants will be payable solely from the System Revenues derived from the operation of the Sewer System, and will not be a charge on the general credit of the County.

The Bankruptcy Court does hereby validate and confirm all proceedings had and taken in connection with the following (i) the Plan; (ii) all covenants, agreements, provisions, and obligations of the County set forth in the Plan; (iii) the Rate Resolution; (iv) all covenants, agreements, provisions, and obligations of the County set forth in the New Sewer Warrant Indenture; and (v) the New Sewer Warrants and the provisions made to pay and secure payment of such obligations. When the New Sewer Warrants have been executed and delivered in accordance with the Plan, then the New Sewer Warrants and the pledges, covenants, agreements, and obligations set forth therein and in the New Sewer Warrant Indenture shall stand validated and confirmed.

At the time of the delivery of the New Sewer Warrants, the County is hereby directed to cause to be stamped or written on each of the New Sewer Warrants a legend substantially as follows:

“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.”

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 Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, 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) 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.

Section 5.11. Validation of the Approved Rate Structure.

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. Validation of Allowance of Sewer Debt Claims.

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.

Section 5.13. Notices.

Any notices to or requests of the County by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when actually received by the following parties:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Re: Jefferson County

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
Attn: Kenneth N. Klee, Esq.
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Re: Jefferson County

Section 5.14. Sewer Warrant Trustee Residual Fee Estimate.

The County will have the right to challenge the amount of the Sewer Warrant Trustee Residual Fee Estimate by filing an action in the Bankruptcy Court within five (5) calendar days after receipt of the Sewer Warrant Trustee Residual Fee Estimate, provided that prior to filing such an action, the County will make good faith efforts to resolve any dispute with the Sewer Warrant Trustee. Any challenge by the County to the amount of the Sewer Warrant Trustee Residual Fee Estimate will be resolved by the Bankruptcy Court on an expedited basis before the Effective Date.

ARTICLE VI
EFFECTS OF CONFIRMATION OF THE PLAN

Section 6.1. Binding Effect.

Upon the Effective Date and pursuant to Bankruptcy Code section 944(a), the Plan, the Distributions and transactions contemplated by the Plan, and the compromises and settlements

contained in the Plan 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 Sewer System, all parties in interest, and all other Persons. Confirmation of the Plan binds each holder of a Claim to all the terms and conditions of the Plan, 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 Plan, and whether or not such holder has accepted the Plan. The County reserves all rights to seek appropriate relief against any Person under Bankruptcy Code section 1142(b) to the extent necessary for the consummation of the Plan.

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; *provided, however*, that the foregoing provision shall not include or affect the liability of any Related Party of the County (x) in any action brought by the Securities and Exchange Commission or (y) on account of any violation of the securities laws. 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.

Nothing in the Plan discharges, releases, precludes, or enjoins: (i) any environmental liability to any governmental unit that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of any governmental unit arising on or after the Effective Date; or (iii) any environmental liability to any governmental unit on the part of any entity as the owner or operator of property after the Effective Date.

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) **GO Releases and Injunctions.**

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

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

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

(c) **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 and all GO 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, the GO 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.

Section 6.4. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

- (a) Except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;
- (b) Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the County is a party or with respect to which the County may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (c) Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the County that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;
- (d) Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan;
- (f) Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's rights, obligations, or interests under the Plan or the Confirmation Order;

(g) Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(h) Adjudicate any Preserved Claims;

(i) Implement and enforce the Commutation Election, and implement and enforce all settlements, releases, exculpations, and injunctions associated with the Plan;

(j) Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan or the Confirmation Order;

(k) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

(l) 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 – including implementation or enforcement of the Approved Rate Structure, issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, provision of the New Sewer Wrap Policy, and delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements – and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication;

(m) Hear and determine any actions brought against the County, the GO Released Parties, the Sewer Released Parties, or any of their respective Related Parties in connection with all compromises and settlements, exculpations and releases, the Plan, or the Case;

(n) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

(o) Enter an order closing the Case pursuant to Bankruptcy Code section 945(b).

If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this Section 6.4 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE VII
RECOMMENDATION AND CONCLUSION

The County believes that confirmation and implementation of the Plan are the best alternative under the circumstances and urges all its Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

DATED AS OF: November 6, 2013

JEFFERSON COUNTY, ALABAMA

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

Filed by:

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

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, jrbender@babbc.com,
jhenderson@babbc.com

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP

Kenneth N. Klee (*pro hac vice*)

Lee R. Bogdanoff (*pro hac vice*)

David M. Stern (*pro hac vice*)

Robert J. Pfister (*pro hac vice*)

Whitman L. Holt (*pro hac vice*)

1999 Avenue of the Stars, Thirty-Ninth Floor

Los Angeles, California 90067

Telephone: (310) 407-4000

Facsimile: (310) 407-9090

Email: kklee@ktbslaw.com, lbogdanoff@ktbslaw.com,
dstern@ktbslaw.com, rpfister@ktbslaw.com,
wholt@ktbslaw.com

Counsel for Jefferson County, Alabama

Exhibit A

Preserved Claims

1. All Causes of Action and Avoidance Actions against British Petroleum arising out of the fire, explosions, and oil leak that occurred on the Deepwater Horizon, whether or not asserted in connection with the consolidated cases collectively styled *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, MDL No. 2179, pending in the United States District Court for the Eastern District of Louisiana.
2. All Causes of Action and Avoidance Actions against Bank of America, Bank of Tokyo - Mitsubishi UFJ, Barclays Bank plc, Citibank NA, Credit Suisse, Deutsche Bank AG, HSBC, Lloyds TSB Bank plc, Rabobank, Royal Bank of Canada, The Norinchukin Bank, The Royal Bank of Scotland Group, UBS AG, BNP Paribas, Credit Agricole Corporate Investment Bank, Sumitomo Mitsui Banking Corporation, and Société Générale regarding manipulation of the London Interbank Offered Rate and effect on the County's variable-rate obligations, including obligations under interest rate swap agreements.
3. All Causes of Action and Avoidance Actions against Jack Swann; Harry Chandler; Ronald Wilson; Clarence Barber; Larry Creel; Sohan Singh; Ed Key; U.S. Infrastructure; Civil Engineering Design Services; Pat Dougherty; Dougherty Engineering; Bobby Rast; Danny Rast; Rast Construction; William Dawson; Dawson Engineering; Grady Pugh, Jr; Roland Pugh; Roland Pugh Construction; and Eddie Yessick arising out of these parties' conduct in connection with bribery, corruption, or the construction of the Sewer System. The County's Causes of Action include claims for unpaid fines or restitution.
4. All Causes of Action and Avoidance Actions against Wachovia Bank, N.A. ("Wachovia") and Wells Fargo Bank, N.A. ("Wells Fargo") arising from Wachovia's violation of state and federal antitrust laws in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between Wachovia, Wells Fargo, and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
5. All Causes of Action and Avoidance Actions against UBS AG arising from violations of state and federal antitrust and other laws by UBS AG and others in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between UBS AG and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
6. All Causes of Action and Avoidance Actions against Jefferson Clinic, P.C. related to services provided to Cooper Green Mercy Hospital and payments made to Jefferson Clinic P.C. with respect to such services.
7. All Causes of Action and Avoidance Actions against any contractors, vendors, and former employees related to services provided to Cooper Green Mercy Hospital, including claims for refunds of payments made pursuant to void contracts.

8. All Causes of Action and Avoidance Actions against Health Assurance, LLC for refunds of premiums paid on or behalf of the County.
9. All Causes of Action and Avoidance Actions against Greater McAdory Athletic Association related to advances from the County earmarked for specific use.
10. All Causes of Action and Avoidance Actions against Hendon Engineering in connection with design and construction defects at the Five Mile Waste Water Treatment Plant.
11. All Causes of Action and Avoidance Actions for payment of any taxes, including sales taxes, use taxes, ad valorem taxes, occupational taxes, privilege taxes, or any other kind of tax; whether or not such taxes are currently the subject of any litigation.
12. All Causes of Action and Avoidance Actions related to services provided by the County to third parties, including municipalities and related municipal boards, authorities and other entities, sewer customers, and hospital and clinic patients.
13. All Causes of Action and Avoidance Actions relating to reimbursements from the State of Alabama and the federal government, including the Federal Emergency Management Agency, for County expenditures following the tornadoes of April 2011.
14. All Causes of Action and Avoidance Actions related to deposits, bonds, or other forms of security posted in connection with construction projects or other contracts as to which the counterparty failed to timely or satisfactorily perform.
15. All Causes of Action and Avoidance Actions related to subrogation rights against third parties arising from property and worker's compensation claims.
16. All Causes of Action and Avoidance Actions against any holder of Sewer Warrants that is not a Sewer Released Party or a Related Party of such Sewer Released Party.
17. All Causes of Action, Avoidance Actions, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Creditor or any Person that are not otherwise released under or pursuant to the Plan.

Exhibit B

Schedule of Assumed Agreements

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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 PO Box 1646	Columbiana	AL	35051	7/19/2011	Contract for Grounds Keeping Services at the Village Creek WWTP	\$8,500.00
Enersolv Corporation	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
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

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	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)	\$42,609.68
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

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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 Attn: Contracts Manager	Birmingham	AL	35203	6/23/1992	Revocable License Agreement	\$0.00
American Tower Management, LLC	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 Attn: Manager of Operations	Canonsburg	PA	15317	10/25/2005	Government Entity Tower License Agreement	\$0.00
Southern Communications Services, Inc.	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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

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
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	12/29/2004	Disclosure Dissemination Agent Agreement	\$0.00
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	2/2/2005	Disclosure Dissemination Agent Agreement	\$0.00
Holders 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
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Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

Exhibit C

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.

[Insert Charge Ordinance as Appendix]

Exhibit D

GO Acknowledgement

(i) The indebtedness evidenced and ordered to be paid on account of the GO Warrants and the GO Insurance Policies constitutes, and with respect to the Replacement 2001-B GO Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the GO Warrants, and the Replacement 2001-B GO Warrants once issued, as they become due and to reimburse National on account of the GO Insurance Policies.

(ii) Revenues legally available to the County for payment of debt service on the GO Warrants and to reimburse National on account of the GO Insurance Policies include, and with respect to the Replacement 2001-B GO Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The GO Warrants and the obligations to reimburse National on account of the GO Insurance Policies constitute, and the Replacement 2001-B GO Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the GO Warrants, and the Replacement 2001-B GO Warrants once issued, and to reimburse National on account of the GO Insurance Policies in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the GO Warrants, the GO Warrant Indenture, the GO Insurance Policies, and the Standby GO Warrant Purchase Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

Annex 2

Further Amended Financing Plan

Jefferson County, Alabama Sewer Revenue Restructuring Further Amended Financing Plan			
Sources and Uses			
Sources:			
Warrant Proceeds	Senior	Subordinate	Total
Principal	Lien	Lien	
Current Interest Warrants	\$375,000,000.00	\$750,155,000.00	\$1,125,155,000
Capital Appreciation Warrants	\$55,693,095.85	\$71,935,073.95	\$127,628,170
Convertible Capital Appreciation Warrants	\$69,308,272.15	\$416,317,273.00	\$485,625,545
Total	\$500,001,368.00	\$1,238,407,346.95	\$1,738,408,715
Aggregate principal does not and will not exceed \$1.977 billion amount contained in July 23 Amended Financing Plan.			
Original Issue Premium/Discount	\$3,776,250.00	(\$3,339,364.50)	\$436,885.50
Total Warrant Proceeds	\$503,777,618	\$1,235,067,982	\$1,738,845,600
Other Sources			
Other Sources of Funds			-
Cash from System Available to Closing			\$2,700,979
Total Sources	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Uses:			
Proceeds to Creditors	\$472,872,558.42	\$1,224,940,167.30	\$1,700,513,704.88
Warrant Insurance Premium	\$26,816,000.00	-	\$26,816,000.00
Debt Service Reserve Fund Deposit	-	-	-
Underwriter's Discount	\$3,370,009.22	\$8,346,865.52	\$11,716,874.74
Costs of Issuance	\$719,050.36	\$1,780,949.64	\$2,500,000.00
Additional Proceeds	-	-	-
Total Uses	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Summary Statistics			
Rate Increases:	Yr. One \$5 & 3.49% NR; 7.89% Yrs. 2-5, 3.49% until excess Cash Flow		
Initial-year increase represents \$5 increase in base charge (residential and nonresidential) and 3.49% increase in volumetric non-residential charges.			
Future Value of Capital Appreciation Warrants			\$489,545,000
Future Value of Convertible Capital Appreciation Warrants			\$987,255,000
Future Value of All Capital Appreciating Warrants			\$1,476,800,000
Anticipated CAPEX Shortfall			\$1,200,006,438
Dated Date			12/3/13
Delivery Date			12/3/13

This Further Amended Financing Plan further amends the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013.

The rates set forth herein are solely for purposes of showing anticipated revenues. It is possible for the County to achieve equivalent revenues through means other than across the board rate increases, such as by tiered rates or minimum charges.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Proceeds to Creditors

Originally Agreed Upon Amount for Creditors*	1,847,000,000.00
Less: Warrant Proceeds & Funds on Hand	1,700,513,704.88
Less: Additional JPMorgan Contribution (1)	100,000,000.00
Less: Sewer Liquidity Bank Contribution	2,764,296.75
Less: Supporting Sewer Warrantholders Contribution	4,000,000.00
Less: Elimination of Put Consideration	13,500,000.00
Less: Additional Sewer Warrant Insurers Contribution (2)	26,250,000.00
Residual Amount Required for Creditors	(28,001.63)

*Amount based on negotiated and assumed distributions to sewer creditors: \$22 million of non-commutation basket, \$165 million to monolines, 65 cent non-commutation distribution, 80 cent commutation distribution (with waivers), and JPM reallocations. Amount does not include distributions to pay, or reimburse insurers for their payment of, preclosing interest and principal scheduled to come due on or after February 1, 2013. In addition, amount is net of Tail Risk considerations.

(1) Contributions in the form of reduced distributions to JPMorgan are in addition to net present value estimated to be approximately \$140,000,000 based on current market conditions, which value will be provided as a result of JPMorgan issuing up to \$180,000,000 face amount (i.e., 10% of the par amount of the new warrants) 40-year letter(s) of credit for deposit to one or more reserve funds under the New Sewer Warrant Indenture. Actual value of the letter(s) of credit will be determined at the time of pricing of the new warrants.

(2) Contributions in the form of reduced distributions to FGIC and Syncora are in addition to net present value estimated to be approximately \$13,750,000 based on current market conditions, which value will be provided as a result of Assured issuing a wrap policy insuring the \$500 million of Senior Lien warrants. Actual value of the wrap insurance policy will be determined at the time of pricing of the new warrants.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Consolidated Cash Flows (\$000's)

Fiscal Year	Net Revenues			Operating Expenses						CAPEX					Free Cash Flow					
	Oct-1 Yr.	Sewer Revenue	Misc. Revs to Debt Service	Total Revs to Debt Service	Net Debt Service	Operating Expenses	Misc. Revs to OpEx	Net Operating Expenses	Net Coverage	Total Revs. Avail. For CAPEX	Target CAPEX	Applied Constr. Fund Monies	Cash Flow Funded CAPEX	Total CAPEX Covered	CAPEX ShortFall	FCF Before Fund Deposit	OpEx Fund Deposit	Net Free Cash Flow	Min OpEx Fund Balance	OpEx Fund Balance
Total		14,270,401	489,077	14,759,477	6,676,847	4,760,631	368,452	4,392,179		3,690,451	5,014,548	159,347	3,655,194	3,814,542	1,199,998	35,257	35,265	2,702		
2013	-																	2,702	16,795	16,795
2014	1	160,120	8,097	168,217	59,847	67,179	6,100	61,079	1.79x	47,292	47,292	-	47,292	47,292	-	-	-	-	16,173	16,795
2015	2	170,143	8,259	178,402	74,495	64,691	6,222	58,469	1.61x	45,438	64,581	20,274	44,307	64,581	-	1,132	1,134	-	16,593	17,929
2016	3	179,496	8,424	187,920	79,434	66,373	6,346	60,027	1.61x	48,459	66,678	19,355	47,323	66,678	-	1,137	1,134	-	17,000	19,063
2017	4	189,336	8,593	197,928	84,726	67,999	6,473	61,526	1.61x	51,676	61,597	11,051	50,546	61,597	-	1,130	1,134	-	17,050	20,196
2018	5	201,936	8,764	210,701	84,450	68,201	6,603	61,599	1.77x	64,652	72,820	9,306	63,515	72,820	-	1,137	1,134	-	17,553	21,330
2019	6	207,963	8,940	216,903	70,495	70,211	6,735	63,476	2.18x	82,931	151,865	70,067	81,798	151,865	-	1,133	1,134	-	17,892	22,464
2020	7	214,117	9,119	223,236	70,495	71,566	6,870	64,697	2.25x	88,044	116,205	29,295	86,910	116,205	-	1,133	1,134	-	19,035	23,598
2021	8	220,474	9,301	229,775	79,200	76,139	7,007	69,132	2.03x	81,442	80,311	-	80,311	80,311	-	1,131	1,134	-	19,598	24,732
2022	9	226,993	9,487	236,480	81,002	78,391	7,147	71,244	2.04x	84,235	83,100	-	83,100	83,100	-	1,134	1,134	-	20,199	25,866
2023	10	234,609	9,677	244,286	84,252	80,796	7,290	73,506	2.03x	86,527	85,397	-	85,397	85,397	-	1,130	1,134	-	20,827	27,000
2024	11	242,526	9,870	252,396	141,219	83,309	7,436	75,873	1.25x	35,304	87,959	-	35,304	35,304	52,655	-	-	-	21,476	27,000
2025	12	250,647	10,068	260,714	145,919	85,902	7,585	78,317	1.25x	36,479	90,598	-	36,479	36,479	54,120	-	-	-	22,144	27,000
2026	13	259,094	10,269	269,363	150,819	88,577	7,736	80,841	1.25x	37,703	93,316	-	37,703	37,703	55,613	-	-	-	22,834	27,000
2027	14	267,844	10,474	278,319	155,894	91,337	7,891	83,446	1.25x	38,979	96,116	-	38,979	38,979	57,137	-	-	-	23,546	27,000
2028	15	276,913	10,684	287,597	161,169	94,186	8,049	86,137	1.25x	40,292	98,999	-	40,292	40,292	58,707	-	-	-	24,281	27,000
2029	16	286,213	10,898	297,111	166,559	97,124	8,210	88,915	1.25x	41,638	101,969	-	41,638	41,638	60,331	-	-	-	25,039	27,000
2030	17	295,851	11,115	306,966	172,149	100,157	8,374	91,783	1.25x	43,035	105,028	-	43,035	43,035	61,993	-	-	-	25,821	27,000
2031	18	305,829	11,338	317,166	177,934	103,286	8,541	94,744	1.25x	44,489	108,179	-	44,489	44,489	63,690	-	-	-	26,629	27,000
2032	19	316,136	11,565	327,700	183,919	106,515	8,712	97,802	1.25x	45,979	111,424	-	45,518	45,518	65,907	462	462	-	27,462	27,462
2033	20	326,778	11,796	338,573	190,094	109,846	8,887	100,960	1.25x	47,520	114,767	-	46,660	46,660	68,107	860	860	-	28,321	28,321
2034	21	337,783	12,032	349,815	196,474	113,285	9,064	104,220	1.25x	49,121	118,210	-	48,234	48,234	69,976	887	887	-	29,208	29,208
2035	22	349,154	12,272	361,427	203,074	116,833	9,246	107,587	1.25x	50,766	121,756	-	49,851	49,851	71,906	915	915	-	30,123	30,123
2036	23	360,955	12,518	373,473	209,929	120,494	9,430	111,063	1.25x	52,481	125,409	-	51,537	51,537	73,872	945	945	-	31,068	31,068
2037	24	373,154	12,768	385,922	217,015	124,272	9,619	114,653	1.25x	54,254	129,171	-	53,279	53,279	75,892	975	975	-	32,043	32,043
2038	25	385,806	13,024	398,830	224,377	128,171	9,811	118,360	1.25x	56,093	133,046	-	55,087	55,087	77,959	1,006	1,006	-	33,049	33,049
2039	26	398,831	13,284	412,115	231,940	132,195	10,008	122,187	1.25x	57,987	137,038	-	56,949	56,949	80,088	1,038	1,038	-	34,087	34,087
2040	27	412,351	13,550	425,901	239,809	136,348	10,208	126,140	1.25x	59,953	141,149	-	58,881	58,881	82,268	1,071	1,071	-	35,158	35,158
2041	28	426,282	13,821	440,102	233,170	140,633	10,412	130,221	1.33x	76,712	145,383	-	75,606	75,606	69,777	1,106	1,106	-	36,264	36,264
2042	29	440,690	14,097	454,787	169,469	145,056	10,620	134,436	1.89x	150,883	149,745	-	149,741	149,741	-	1,141	1,141	-	37,405	37,405
2043	30	455,606	14,379	469,985	175,784	149,621	10,833	138,788	1.88x	155,414	154,237	-	154,236	154,236	-	1,178	1,178	-	38,583	38,583
2044	31	471,038	14,667	485,704	182,342	154,331	11,049	143,282	1.88x	160,081	158,864	-	158,865	158,865	-	1,216	1,216	-	39,798	39,798
2045	32	486,953	14,960	501,913	189,106	159,193	11,270	147,923	1.87x	164,883	163,630	-	163,629	163,629	-	1,255	1,255	-	41,053	41,053
2046	33	503,405	15,259	518,664	196,114	164,212	11,496	152,716	1.87x	169,834	168,539	-	168,539	168,539	-	1,295	1,295	-	42,348	42,348
2047	34	520,485	15,564	536,049	203,448	169,391	11,726	157,665	1.86x	174,936	173,595	-	173,599	173,599	-	1,336	1,336	-	43,684	43,684
2048	35	538,099	15,876	553,975	211,016	174,736	11,960	162,776	1.85x	180,182	178,803	-	178,803	178,803	-	1,379	1,379	-	45,063	45,063
2049	36	556,360	16,193	572,553	218,910	180,253	12,199	168,054	1.85x	185,589	184,167	-	184,165	184,165	-	1,424	1,424	-	46,487	46,487
2050	37	575,167	16,517	591,684	227,018	185,948	12,443	173,505	1.84x	191,161	189,692	-	189,692	189,692	-	1,469	1,469	-	47,956	47,956
2051	38	594,684	16,847	611,531	235,499	191,826	12,692	179,134	1.84x	196,899	195,383	-	195,382	195,382	-	1,517	1,517	-	49,473	49,473
2052	39	614,869	17,184	632,053	244,297	197,893	12,946	184,947	1.83x	202,810	201,245	-	201,244	201,244	-	1,566	1,566	-	51,039	51,039
2053	40	635,713	17,528	653,241	253,991	204,155	13,205	190,950	1.82x	208,300	207,282	-	207,279	207,279	-	1,021	1,021	-	52,059	52,059

SUPPLEMENT TO PLAN SUPPORT AGREEMENT

This SUPPLEMENT TO PLAN SUPPORT AGREEMENT (this “Supplement”), dated as of November 6, 2013, is made and entered into as a supplement to that certain *Plan Support Agreement* dated as of June 27, 2013, by and among Jefferson County, Alabama, The Bank of Nova Scotia, The Bank of New York Mellon in its capacity as a liquidity bank with respect to Sewer Warrants and not in any other capacity, and State Street Bank and Trust Company (the “PSA”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the PSA. This Supplement constitutes a writing signed by the County and each Liquidity Bank for purposes of Section 8.6(c) of the PSA.

1. Revised Plan Is an Acceptable Plan. Notwithstanding anything to the contrary contained in the PSA, a plan in the form of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama* attached hereto as Annex 1 (the “Revised Plan”) shall constitute an “Acceptable Plan” for all purposes under the PSA.

2. Consent Under Rule 3019(a). By their execution of this Supplement, each Liquidity Bank acknowledges and agrees that (a) all modifications made to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the “Prior Plan”) by the Revised Plan are accepted by such Liquidity Bank; and (b) pursuant to Federal Rule of Bankruptcy Procedure 3019(a), all ballots cast by such Liquidity Bank to accept the Prior Plan shall be deemed to be ballots cast to accept the Revised Plan. The Liquidity Banks agree that the County may attach this Supplement as an exhibit to a notice of plan modifications filed with the Bankruptcy Court and that this Supplement shall evidence the Liquidity Banks’ acceptance in writing of all such modifications for purposes of Federal Rule of Bankruptcy Procedure 3019(a).

3. Commitment to Consummate Financing. The County shall exercise all reasonable efforts to consummate a financing transaction substantially as set forth in that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013, a copy of which is attached hereto as Annex 2 (the “Further Amended Financing Plan”) and to maximize the amount of Excess Refinancing Proceeds (as defined in the Revised Plan) generated by such transaction; *provided, however*, that the County shall not be required to structure the issuance of the New Sewer Warrants (as defined in the Revised Plan) (the “Refinancing”) so as to produce any Excess Refinancing Proceeds to the extent that any such structure would involve economic modifications adverse to the ratepayers or the system in any material respect. For the avoidance of doubt, under no circumstances shall the County be required to structure the Refinancing so as to increase the amount of any Excess Refinancing Proceeds if in order to do so the County would be required to modify the Approved Rate Structure to increase sewer rates or other charges.

4. Notice Waivers. The Liquidity Banks (a) waive any requirement under the PSA that the County provide further written notice of the Further Amended Financing Plan (whether as an amendment to the Financing Plan or otherwise); and (b) waive any prior breach or potential breach of the PSA that could result from the County not giving written notice of the Further Amended Financing Plan prior to the date of this Supplement to the extent required by Section 4(c) of the PSA. The Liquidity Banks further waive any requirement under the PSA that the County provide written notice of the supplements to the JPMorgan PSA, the Supporting Sewer

Warrantholder PSA, and the Sewer Warrant Insurer PSA that will be executed by the County and the applicable counterparties contemporaneously with the execution of this Supplement.

5. Extension of Confirmation Deadline. The references to “November 25, 2013” in Sections 7.1(o)(iii) and 7.1(o)(iv) of the PSA as the outside date for the Bankruptcy Court to enter the Confirmation Order and an order (which may be the Confirmation Order) validating the New Sewer Warrants are hereby deleted and replaced with “December 9, 2013”.

6. Allocation of Excess Refinancing Proceeds. Any Excess Refinancing Proceeds payable to the Liquidity Banks under Section 4.19(b) of the Revised Plan shall be allocated among the Liquidity Banks as follows: 34.49% to Scotia Bank, 23.39% to BNY, and 42.12% to State Street.

7. No Other Revisions to the PSA. Other than as expressly set forth herein, the execution, delivery, and effectiveness of this Supplement shall not operate as a waiver of any right, power, or remedy of any Party under the PSA, nor constitute a waiver of any provision of the PSA. Other than as expressly set forth herein, the PSA shall remain unchanged and in full force and effect in accordance with its terms. This Supplement shall be deemed to be a part of the PSA for all purposes.

8. Governing Law. This Supplement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. Any dispute with respect to this Supplement shall be resolved by the Bankruptcy Court.

9. Execution of this Supplement. This Supplement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Supplement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Supplement. Each Party represents that each individual executing this Supplement on behalf of such Party has been duly authorized and empowered to execute and deliver this Supplement on behalf of such Party.

10. Right to Terminate. If the New York State Department of Financial Services fails to approve FGIC’s execution and performance of that certain supplement to the Sewer Warrant Insurer PSA dated as of November 6, 2013, on or before November 8, 2013, or any later date agreed in writing by the County and FGIC for obtaining such approval, then any of the Liquidity Banks or the County may terminate this Supplement by written notice to each other Party.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



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

THE BANK OF NOVA SCOTIA

By:
Its:

THE BANK OF NEW YORK MELLON

By:
Its:

STATE STREET BANK AND TRUST COMPANY

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

THE BANK OF NOVA SCOTIA



By: **MANAGING DIRECTOR**
Its:

THE BANK OF NEW YORK MELLON

By:
Its:

STATE STREET BANK AND TRUST COMPANY

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

THE BANK OF NOVA SCOTIA

By:
Its:

THE BANK OF NEW YORK MELLON



By: **EDUARDO J. DESALVO**
Its: **MANAGING DIRECTOR**

STATE STREET BANK AND TRUST COMPANY

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:


THE BANK OF NOVA SCOTIA

By:
Its:

THE BANK OF NEW YORK MELLON

By:
Its:

STATE STREET BANK AND TRUST COMPANY



By: Timothy L. Butler
Its: Senior Vice President

Annex 1
Revised Plan

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

In re:

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

Debtor.

)
)
)
)
)
)
)

Case No. 11-05736-TBB

Chapter 9

**CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA
(DATED November 6, 2013)**

Pursuant to 11 U.S.C. § 941, Jefferson County, Alabama, files this plan of adjustment.

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

As used in the Plan and the Plan's Exhibits, the following Defined Terms shall have the respective meanings specified below:

1. **"503(b)(9) Bar Date"** means June 4, 2012, which is the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.
2. **"503(b)(9) Claim"** means a Claim that is entitled to treatment as an administrative expense under Bankruptcy Code section 503(b)(9).
3. **"Accumulated Sewer Revenues"** means all revenues of the Sewer System that are deposited and retained by the Sewer Warrant Trustee in either the "Jefferson County Sewer System Revenue Account" or the "Jefferson County Sewer System Debt Service Fund" through the Effective Date, in each case without deducting any amounts that may be subject to deduction as "Operating Expenses" under the Sewer Warrant Indenture as a result of any ruling by the Bankruptcy Court regarding the pending dispute about actually incurred professional fees in Adversary Proceeding Number 12-00016-TBB.
4. **"Act 619"** means Act 619 of the Alabama Legislature, 1949 Ala. Acts 949, *et seq.* (Sept. 19, 1949).
5. **"Adjusted Sewer Warrant Principal Amount"** means the amount of principal considered to be outstanding on each of the Sewer Warrants as of January 31, 2013, based upon the records maintained by the Sewer Warrant Trustee, *less* all payments of principal of Sewer Warrants (including principal included within the Sewer Warrant Insurers Outlay Amount) to be made on the Effective Date from the Accumulated Sewer Revenues as set forth in Section 4.6(a) of the Plan. The aggregate Adjusted Sewer Warrant Principal Amount with respect to all Sewer Warrants as of the Effective Date is anticipated to be approximately \$3.078 billion.
6. **"Administrative Claim"** means a Claim for administrative costs or expenses that is entitled to priority in payment under Bankruptcy Code sections 503(b), 507(a)(2), and 901.
7. **"Administrative Claims Bar Date"** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the last day to file proof of an Administrative Claim, which date shall be no more than ninety (90) calendar days after the Effective Date, after which date any Administrative Claim not timely Filed shall be forever barred, and the County shall have no obligation with respect thereto; *provided, however*, that no proof of an Administrative Claim shall be required to be filed if such Administrative Claim shall have been incurred (a) in accordance with an order of the Bankruptcy Court or (b) with the written consent of the County and in the ordinary course of the County's operations.

8. **“Alabama Constitution”** means the Constitution of Alabama of 1901, as amended from time to time thereafter.

9. **“Allowed”** or **“Allowed _____ Claim”** means:

- (a) with respect to a Claim arising prior to the Petition Date (including a 503(b)(9) Claim):
 - (i) either (A) a proof of Claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of Claim is deemed timely Filed either as a result of such Claim being listed on the List of Creditors or by a Final Order; and
 - (ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;
- (b) with respect to a Claim arising on or after the Petition Date (excluding a 503(b)(9) Claim), a Claim that has been allowed pursuant to Section 2.2(a) of the Plan.

Unless otherwise specified in the Plan or by a Final Order of the Bankruptcy Court, an “Allowed Administrative Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, or late charges on such Administrative Claim or Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the Case is not an Allowed Claim. For the avoidance of doubt, any and all Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

10. **“Ambac”** means Ambac Assurance Corporation.

11. **“Amended and Restated GO Warrant Indentures”** means the new trust indentures delivered in exchange for the GO Warrant Indenture pursuant to Bankruptcy Code section 1123(a)(5)(F), the forms of which indentures are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

12. **“Amended List Bar Date”** means, with respect to a claimant affected by the County’s amendment of the List of Creditors subsequent to the mailing and publication of the Bar Date Notice that reduces the undisputed, non-contingent, or liquidated amount or changes the nature or classification of such claimant’s Claim, the later of (a) either (i) the General Bar Date or (ii) if such claimant is a governmental unit, the Governmental Unit Bar Date; and (b) thirty (30) calendar days after the date that such claimant is served with notice of the amendment to the List of Creditors altering the amount, nature, or classification of such claimant’s Claim.

13. **“Approved Rate Structure”** means the structure of sewer rates and charges approved by the County Commission pursuant to Amendment 73 of the Alabama Constitution and Act 619 to be charged by the County to users of the Sewer System to support the repayment of the New Sewer Warrants so long as any portion of the New Sewer Warrants remain outstanding, which structure is set forth as Exhibit C to the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

14. **“Asserted Full Recourse Sewer Claims”** means any and all Claims based on or related to any Sewer Debt Claims that any Person asserts are general obligations of the County payable from the General Fund, including (a) the Sewer Warrant Trustee’s Asserted Recourse Claim; (b) the unliquidated proofs of Claim for indemnity, fraud, fraud in the inducement, and the like Filed by FGIC; (c) the unliquidated proofs of Claim for indemnity Filed by Assured; (d) the unliquidated proofs of Claim for indemnity Filed by Syncora; and (e) the JPMorgan Asserted Recourse Indemnification Claims.

15. **“Assured”** means Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc.

16. **“Avoidance Actions”** means all causes of action, claims, remedies, or rights that may be brought by or on behalf of the County under any section contained within chapter 5 of the Bankruptcy Code, or under related state or federal statutes or common law, regardless whether such action has been commenced prior to the Effective Date.

17. **“Avoidance Claim Bar Date”** means, with respect to any Person asserting Claims arising from the avoidance of a transfer under chapter 5 of the Bankruptcy Code, the first Business Day that is at least thirty (30) calendar days after entry of the order or judgment authorizing avoidance of the transfer.

18. **“Ballot”** means the ballot forms distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject the Plan, on which form the holder may cast its vote in respect of the Plan in accordance with the Plan and the Plan Procedures Order, and which must be actually received by the Ballot Tabulator on or before the Ballot Deadline in order to be counted.

19. **“Ballot Deadline”** means the deadline established by the Bankruptcy Court in the Plan Procedures Order for the delivery of executed Ballots to the Ballot Tabulator.

20. **“Ballot Record Date”** means the date established by the Bankruptcy Court in the Plan Procedures Order to determine which Creditors are entitled to vote on the Plan.

21. **“Ballot Tabulator”** means the Claims Agent, or any other Person designated by the County to tabulate Ballots in accordance with the Plan Procedures Order.

22. **“Bank Warrant Claims”** means any and all Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims and Series 2003-B-2 Through B-7 Sewer Claims. For the avoidance of doubt, (i) any Claims on account of Bank Warrants held by any of the Sewer Warrant Insurers are Sewer Warrant Insurers Claims, not Bank Warrant Claims; and (ii) Bank Warrant Claims do not include the Other Standby Sewer Warrant Claims.

23. **“Bank Warrant Default Interest Claims”** means any Claims based on interest that is alleged to have accrued on any Bank Warrants on or before the Petition Date at a “default” rate or as interest on interest, including under the Standby Sewer Warrant Purchase Agreements, and that remained unpaid on the Petition Date.

24. **“Bank Warrants”** means, collectively, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and the Series 2003-B-2 Through B-7 Sewer Warrants.

25. **“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as the same may be amended from time to time to the extent applicable to the Case.

26. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or any other court that exercises competent jurisdiction over the Case.

27. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case.

28. **“Bar Date Notice”** means the *Notice of (A) Entry of Order for Relief and (B) Deadlines for Filing Proofs of Claim and Requests for Allowance of Section 503(b)(9) Administrative Expense Claims*, which sets forth certain dates, deadlines, and procedures relevant to filing proofs of Claims in the Case pursuant to the *Order (I) Setting Bar Dates and Procedures for Filing Proofs of Claim; (II) Setting the Bar Date and Procedures for Filing Requests for Allowance of Section 503(b)(9) Claims; and (III) Approving Form and Manner of Serving and Publishing the Notices of Bar Dates and the Entry of the Order for Relief*, as subsequently amended [Docket Nos. 889 & 933].

29. **“Bennett Action”** means that certain adversary proceeding styled as *Andrew Bennett, et al. v. Jefferson County, Alabama and The Bank of New York Mellon, as Indenture Trustee (In re Jefferson County, Alabama)*, Adv. Proc. No. 12-00120 (Bankr. N.D. Ala.).

30. **“Bessemer Indenture”** means that certain *Trust Indenture* dated as of August 1, 2006, between the PBA and the Bessemer Trustee.

31. **“Bessemer Insurer”** means Ambac.

32. **“Bessemer Lease”** means that certain *Lease Agreement* dated August 1, 2006, by and between the County and the PBA.

33. **“Bessemer Lease Claims”** means, collectively, (a) any and all Claims arising from or in connection with the Bessemer Lease, including all Claims resulting from the rejection of the Bessemer Lease under Bankruptcy Code section 365; and (b) any and all Claims that could be asserted (directly or indirectly) by any Person under or in connection with the Bessemer Indenture and the Bessemer Policy, including by any reinsurer regarding the Bessemer Policy or by any holder of warrants issued under the Bessemer Indenture; *provided, however*, that for the avoidance of doubt, the “Bessemer Lease Claims” do not include any Claims arising under the New Bessemer Lease, under the Bessemer Stipulation, or under any Related Documents (as defined in the Bessemer Stipulation) on and after the Effective Date.

34. **“Bessemer Policy”** means that certain *Financial Guaranty Insurance Policy* number 25645BE issued by Ambac on or around August 17, 2006, and insuring certain of the PBA’s obligations under the Bessemer Indenture.

35. **“Bessemer Stipulation”** means that certain *Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes* dated as of November 27, 2012, by and among the County, the PBA, the Bessemer Trustee, and the Bessemer Insurer, which Bessemer Stipulation was approved by order of the Bankruptcy Court on December 20, 2012 [Docket No. 1537].

36. **“Bessemer Trustee”** means First Commercial Bank, in its capacity as Indenture Trustee under the Bessemer Indenture.

37. **“BLB”** means Bayerische Landesbank, New York Branch, formerly known as Bayerische Landesbank Girozentrale.

38. **“BLB GO Claim”** means \$52,937,479.17, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by BLB.

39. **“BNY”** means The Bank of New York Mellon in its capacity as a Sewer Liquidity Bank and not in any other capacity.

40. **“Board of Education Lease Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Warrants or the Board of Education Lease Indenture other than Board of Education Lease Policy Claims.

41. **“Board of Education Lease Debts”** means, together, all Board of Education Lease Claims and all Board of Education Lease Policy Claims.

42. **“Board of Education Lease Indenture”** means that certain *Mortgage and Trust Indenture* dated as of July 1, 2000, between the County and the Board of Education Lease Trustee.

43. **“Board of Education Lease Insurer”** means Assured.

44. **“Board of Education Lease Policy”** means that certain *Municipal Bond Insurance Policy* number 26420-N issued by Assured on or around July 25, 2000.

45. **“Board of Education Lease Policy Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Policy, as well as any and all Claims of the Board of Education Lease Insurer or any Transferee of the Board of Education Lease Insurer arising from or in connection with the Board of Education Lease Indenture, including all Claims arising in connection with any Board of Education Lease Warrants held by the Board of Education Lease Insurer or by any Transferee of the Board of Education Lease Insurer as a result of the Board of Education Lease Insurer’s satisfaction of any claims under the Board of Education Lease Policy, and including any related Reinsurance Claims.

46. **“Board of Education Lease Trustee”** means U.S. Bank National Association, in its capacity as Indenture Trustee under the Board of Education Lease Indenture and as successor to SouthTrust Bank.

47. **“Board of Education Lease Trustee Fee Claims”** means any and all Claims of the Board of Education Lease Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the Board of Education Lease Indenture.

48. **“Board of Education Lease Warrants”** means those certain Limited Obligation School Warrants, Series 2000 issued in the original principal amount of \$45,210,000 and insured by the Board of Education Lease Insurer.

49. **“Business Day”** means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

50. **“Case”** means the voluntary case commenced by the County under chapter 9 of the Bankruptcy Code and pending before the Bankruptcy Court.

51. **“Cash”** means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

52. **“Causes of Action”** means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims (including equitable subordination claims and statutory subordination claims), subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

53. **“Claim”** means any “claim” as that word is defined by Bankruptcy Code section 101(5) against the County or against property of the County, whether or not asserted in the Case.

54. **“Claims Agent”** means Kurtzman Carson Consultants LLC, the County’s court-appointed claims, noticing, and balloting agent pursuant to 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].

55. **“Claims Bar Date”** means, as applicable, the 503(b)(9) Bar Date, the Administrative Claim Bar Date, the Amended List Bar Date, the Avoidance Claim Bar Date, the General Bar Date, the Governmental Unit Bar Date, and the Rejection Bar Date.

56. **“Claims Objection Deadline”** means, unless extended by the Bankruptcy Court upon a motion Filed by the County, the date that is the later of (a) the first Business Day that is at least 180 calendar days after the Effective Date, and (b) the first Business Day that is at least 180 calendar days after the date on which a proof of Claim in respect of a Claim has been Filed. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court.

57. **“Class”** means a group of Claims as designated in Section 2.3 of the Plan, or any subclass thereof.

58. **“Closing Agreement”** means an agreement between the County and the Internal Revenue Service which, in form and substance acceptable to the County and each of the Sewer Plan Support Parties other than LBSF, resolves the pending audit regarding certain of the Sewer Warrants and confirms the tax-free status of all the Sewer Warrants, with no taxes, costs, or other liabilities to the existing holders of the Sewer Warrants.

59. **“Commutation Election”** means the election or deemed election under the Plan of a holder of Sewer Warrants to unconditionally commute, waive, and forever release, discharge, and forgo (a) any and all Sewer Wrap Payment Rights; (b) any and all Bank Warrant Default Interest Claims; and (c) any and all other Sewer Released Claims against the County, against any of the Sewer Released Parties, or against any of their respective Related Parties.

60. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court in the Case.

61. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by Bankruptcy Code section 1128(a), as such hearing may be continued from time to time.

62. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan under Bankruptcy Code section 943(b).

63. **“Consent Decree Claims”** means any and all Claims arising from or in connection with either of the Consent Decrees.

64. **“Consent Decrees”** means the EPA Consent Decree and the Hiring Practices Consent Decree.

65. **“Contingent Claim”** means a Claim that is listed on the List of Creditors as contingent.

66. **“County”** means Jefferson County, Alabama, a political subdivision of the State of Alabama and the chapter 9 debtor in the Case.

67. **“County Commission”** means the duly elected five member Jefferson County Commission, which serves as the governing body of the County pursuant to Alabama Code sections 11-1-5 and 11-3-11.

68. **“Covered Tail Risk”** means Cash equal to each Sewer Warrant Insurer’s Tail Risk to be paid by the County on the Effective Date, the amount of which Cash shall not exceed \$25 million in the aggregate.

69. **“Creditor”** means a Person holding a Claim.

70. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to Bankruptcy Code section 1123(b)(2).

71. **“Declaratory Judgment Action”** means that certain adversary proceeding commenced by the Sewer Warrant Trustee against the County, Syncora, and Assured on or about February 6, 2013, and styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (Bankr. N.D. Ala.).

72. **“Defined Term”** means any capitalized term that is defined in this Section 1.1 of the Plan.

73. **“Depfa Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

74. **“Deposit Refund Claims”** means any and all Claims for the refund of any deposits paid to and held by the County, including deposits made with respect to applications for permits issued by the County and security deposits paid to the County with respect to the provision of services by the County.

75. **“Disallowed Claim”** means a Claim that (a) is not listed on the List of Creditors, or is listed thereon as contingent, unliquidated, disputed, or in an amount equal to zero, and whose holder failed to timely File a proof of Claim by the applicable Claims Bar Date; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

76. **“Disclosure Statement”** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125, as it subsequently may be amended, modified, or supplemented by the County.

77. **“Disputed Claim”** means a Claim:

- (a) as to which a proof of Claim is Filed or is deemed Filed as a result of such Claim being listed on the List of Creditors; and
- (b) as to which:
 - (i) an objection or request for estimation (A) has been timely Filed, and (B) has not been denied by a Final Order or withdrawn; or
 - (ii) is a Claim that is listed on the List of Creditors as disputed; or
 - (iii) is disputed in whole or in part under the Plan.

78. **“Distribution”** means any initial or subsequent issuance, payment, or transfer of consideration made under the Plan.

79. **“Distribution Record Date”** means (a) the first Business Day that is at least ten (10) calendar days after the Confirmation Date; or (b) such later date before the Effective Date as the County (i) reasonably determines, after consultation with the Sewer Plan Support Parties and the Sewer Warrant Trustee, is feasible in light of the anticipated date of the Effective Date and (ii) specifies in a notice Filed with the Bankruptcy Court.

80. **“DTC”** means The Depository Trust Company.

81. **“Effective Date”** means a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which the conditions set forth in Section 4.18(a) of the Plan have been satisfied or waived by the County and by any other necessary parties in accordance with Section 4.18(b) of the Plan.

82. **“Eligible Sewer Warrants”** means the Sewer Warrants held by the Supporting Sewer Warrantholders as of the date of execution of the Supporting Sewer Warrantholder Plan Support Agreement and set forth opposite each such Supporting Sewer Warrantholder’s name on Schedule 1 thereto.

83. **“Eminent Domain Claims”** means any and all Claims for actual damages arising directly from the County’s exercise of its power of eminent domain or condemnation.

84. **“Employee Compensation Claims”** means any and all Claims of Persons employed by the County or the State of Alabama as of the Petition Date that the County is required to compensate by agreement or applicable law, for all forms of compensation including unpaid wages, salaries, accrued vacation, compensation or “comp” time, pension contributions, health insurance premiums, and sick pay arising prior to the Petition Date and remaining outstanding on the Effective Date.

85. **“Employee Indemnification Claims”** means any and all Claims for legal representation or indemnification made by Persons currently or formerly employed by either the County or such boards, agencies, and commissions designated by the County Commission, with regard to civil claims for which such Persons may be legally obligated to pay where the incident or occurrence giving rise to such representation or claim was one arising out of and within the line and scope of their employment, pursuant to the limitations and upon the conditions specified by the County Commission or applicable law.

86. **“EPA Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 9, 1996, in the litigation styled as *Kipp, et al. v. Jefferson County, Alabama*, Civil Action No. 93-G-2492-S (N.D. Ala.) and *United States v. Jefferson County, Alabama*, Civil Action No. 94-G-2947-S (N.D. Ala.).

87. **“Excess Refinancing Proceeds”** means an amount equal to the sum of (a) the amount of Refinancing Proceeds, if any, generated due to a difference between (1) the rates (yields) actually realized upon the issuance of the New Sewer Warrants, and (2) the rates (yields) assumed to be realized in the Further Amended Financing Plan; and (b) the amount of the excess, if any, when (1) the aggregate amount of the Distributions and other payments actually made under the Plan on account of all Sewer Debt Claims (including as a result of the ultimate Tail Risk resulting from the rescission process for holders of the Series 2003-C-9 Through C-10

Sewer Warrants that are deemed to make the Commutation Election), before giving effect to any Distributions made under Section 4.19 of the Plan, is subtracted from (2) the aggregate amount of the Distributions and other payments projected to be made under the Plan on account of all Sewer Debt Claims as set forth in the Further Amended Financing Plan.

88. **“Excess Refinancing Proceeds – First Tranche”** means the first \$30,000,000 of Excess Refinancing Proceeds.

89. **“Excess Refinancing Proceeds – Second Tranche”** means any and all Excess Refinancing Proceeds in excess of \$30,000,000 but less than or equal to \$160,000,000. For the avoidance of doubt, in no event shall the amount of the Excess Refinancing Proceeds – Second Tranche exceed \$130,000,000.

90. **“Excess Refinancing Proceeds – Third Tranche”** means any and all Excess Refinancing Proceeds in excess of \$160,000,000; *provided, however*, that in no event shall the amount of the Excess Refinancing Proceeds – Third Tranche exceed the amount of the present value (as reasonably determined by the lead underwriter for the New Sewer Warrants) provided by the Reserve Fund LOC to the financing transaction associated with the issuance of the New Sewer Warrants.

91. **“Federal Court Receivership Action”** means *The Bank of New York Mellon, as Trustee v. Jefferson County, Alabama, et al.*, Case No. 2:08-cv-1703-RDP, pending in the United States District Court for the Northern District of Alabama, Southern Division.

92. **“FGIC”** means Financial Guaranty Insurance Company.

93. **“FGIC Assured-Insured Warrant Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants held by FGIC as an investment as of the date of the execution of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers.

94. **“FGIC Rehabilitator”** means Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (N.Y. Sup. Ct.).

95. **“File”** or **“Filed”** means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Bankruptcy Court in the Case, except with respect to proofs of claim that must be filed with the Claims Agent pursuant to the Bar Date Notice, in which case “File” or “Filed” means duly and properly filed with the Claims Agent and reflected on the official claims register maintained by the Claims Agent.

96. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

(a) that has not been reversed, rescinded, stayed, modified, or amended;

(b) that is in full force and effect; and

- (c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be filed with respect to such order.

97. **“Further Amended Financing Plan”** means that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013.

98. **“Future Tax Proceeds”** means any future excess tax proceeds available for mandatory redemptions under the School Warrant Indenture.

99. **“General Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the general deadline for Creditors to file proofs of Claims against the County.

100. **“General Fund”** means the County’s general operating fund.

101. **“General Liability Claim”** means a Claim, arising in tort or otherwise, for damages arising from or relating to death, injury to a Person, damage to or loss of property, or any other injury that a Person may suffer to his, her, or its Person, reputation, character, feelings, or estate.

102. **“General Unsecured Claim”** means a Claim that is not an Administrative Claim, a Bessemer Lease Claim, a Board of Education Lease Debt Claim, a GO Debt Claim, an Other Unimpaired Claim, a Professional Fee Claim, a Secured Claim, a Special Revenues Claim, or a Subordinated Claim. General Unsecured Claims include the Asserted Full Recourse Sewer Claims, Rejection Damage Claims, and the Uninsured Portion of General Liability Claims.

103. **“General Unsecured Claims Pool”** means the sum of \$5 million, which will be contributed from the General Fund to a segregated, interest-bearing account on the Effective Date, plus all interest paid by the depository institution with respect to such sum through and including the GUC Payment Date.

104. **“GO Acknowledgment”** means the provisions set forth in Exhibit D to the Plan, which the County will include in the proposed form of Confirmation Order.

105. **“GO Banks”** means, together, BLB and JPMorgan Chase Bank, N.A.

106. **“GO Debt Claims”** means, collectively, all GO Policy Claims, all GO Swap Agreement Claims, and all GO Warrant Claims.

107. **“GO Events of Default”** means all defaults or breaches by the County of either of the GO Resolutions, including any failure of the County to pay amounts due and owing on any of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants when due.

108. **“GO Insurance Policies”** means, together, (a) that certain *Financial Guaranty Insurance Policy* number 40587 issued by National on or around March 19, 2003; and (b) that certain *Financial Guaranty Insurance Policy* number 44671 issued by National on or around August 10, 2004.

109. **“GO Paying Agents”** means, together, (a) The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent with respect to the Series 2003-A GO Warrants; and (b) U.S. Bank National Association, in its capacity as successor paying agent with respect to the Series 2004-A GO Warrants.

110. **“GO Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of May 13, 2013, by and among the County, the GO Banks, and the GO Warrant Trustee.

111. **“GO Plan Support Parties”** means, collectively, the GO Banks, the GO Warrant Trustee, and National.

112. **“GO Policy Claims”** means any and all Claims arising from or in connection with the GO Insurance Policies, as well as any and all Claims of the GO Warrant Insurer or any Transferee of the GO Warrant Insurer arising from or in connection with the GO Resolutions, including all Claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies, including the National Fees and Expenses Claims and the National Reimbursement Claims, and including any related Reinsurance Claims.

113. **“GO Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the GO Insurance Policies, the GO Resolutions, the GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement, but excluding (a) all obligations imposed by the Plan, the Amended and Restated GO Warrant Indentures, and the Replacement 2001-B GO Warrants; and (b) any Claim held by a GO Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also GO Released Parties.

114. **“GO Released Parties”** means each of the County, the GO Banks, the GO Warrant Trustee, and National.

115. **“GO Resolution 2003-A”** means that certain *Resolution and Order*, including any documents annexed thereto, adopted by the County Commission at a meeting held on March 6, 2003, and authorizing the issuance of the Series 2003-A GO Warrants.

116. **“GO Resolution 2004-A”** means that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004, and authorizing the issuance of the Series 2004-A GO Warrants.

117. **“GO Resolutions”** means, together, the GO Resolution 2003-A and the GO Resolution 2004-A.

118. **“GO Swap Agreement”** means that certain *ISDA Master Agreement* dated as of March 23, 2001, between the County and JPMorgan Chase Bank, N.A., as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto

119. **“GO Swap Agreement Claims”** means any and all Claims arising under the GO Swap Agreement, including with respect to all “Transactions” (as defined in the GO Swap Agreement) thereunder.

120. **“GO Warrant Claims”** means any and all Series 2001-B GO Claims, Series 2003-A GO Claims, and Series 2004-A GO Claims.

121. **“GO Warrant Indenture”** means that certain *Trust Indenture* dated as of July 1, 2001, between the County and the GO Warrant Trustee.

122. **“GO Warrant Insurer”** means National.

123. **“GO Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as Indenture Trustee under the GO Warrant Indenture and as successor to The Bank of New York.

124. **“GO Warrant Trustee Fee Claims”** means any and all Claims of the GO Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the GO Warrant Indenture.

125. **“GO Warrants”** means, collectively, the Series 2001-B GO Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants.

126. **“Governmental Unit Bar Date”** means August 31, 2012, which is the date established by the Bankruptcy Court as the deadline for governmental units to file proofs of Claims.

127. **“GUC Payment Date”** means the later of (a) the third (3rd) annual anniversary of the Effective Date, and (b) the date on which all objections that the County Files regarding

any General Unsecured Claims on or before the Claims Objection Deadline have been settled or resolved by Final Orders.

128. **“Hiring Practices Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 29, 1982, in the litigation styled as *United States of America v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS (N.D. Ala.).

129. **“Impaired”** means “impaired” within the definition of Bankruptcy Code section 1124.

130. **“Indenture Trustees”** means, collectively, the Board of Education Lease Trustee, the GO Warrant Trustee, the School Warrant Trustee, and the Sewer Warrant Trustee.

131. **“Insured Portion”** means that portion of an Allowed General Liability Claim that is covered by insurance by one or more policies providing coverage to or on behalf of the County or any of its employees, including any excess coverage policies.

132. **“JPMorgan Asserted Recourse Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Warrant Purchase Agreements*, dated as of March 6, 2002, September 18, 2002, October 24, 2002, April 30, 2003, and August 5, 2003, in each case by and between the County and JPMS.

133. **“JPMorgan GO Claim”** means \$52,185,812.50, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by JPMorgan Chase Bank, N.A.

134. **“JPMorgan Parties”** means, collectively, JPMorgan Chase Bank, N.A., JPMS, and any of their respective affiliates holding Sewer Warrant Claims or Bank Warrant Claims, and for purposes of the definition of Sewer Released Parties, the term JPMorgan Parties shall also include Bear Stearns Capital Markets Inc.

135. **“JPMorgan Sewer Revenue Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Remarketing and Interest Services Agreements*, dated as of February 1, 2002, May 1, 2003, and May 1, 2003, in each case by and between the County and JPMS.

136. **“JPMS”** means J.P. Morgan Securities LLC, formerly known as J.P. Morgan Securities Inc.

137. **“LBSF”** means Lehman Brothers Special Financing Inc.

138. **“LBSF Periodic Payment Claim”** means an asserted Claim of \$1,002,754.42, which allegedly represents the net total periodic payments that had accrued and were due to LBSF at the time of the termination of the LBSF Swap Agreement, plus interest thereon through the Petition Date for a total asserted Claim of \$1,656,230.21.

139. **“LBSF Swap Agreement”** means that certain *ISDA Master Agreement* dated as of October 23, 2002, between the County and LBSF, as subsequently amended via an amendment dated as of September 14, 2006, and together with all schedules, annexes, and confirmations related thereto.

140. **“Liquidity Agent Standby Sewer Warrant Claims”** means any and all Claims of JPMorgan Chase Bank, N.A. in its capacity as liquidity agent under the Standby Sewer Warrant Purchase Agreements, including any and all Claims for reimbursement or indemnification in such capacity.

141. **“List of Creditors”** means the list of Creditors Filed by the County in the Case pursuant to Bankruptcy Code section 924 and Bankruptcy Rule 1007(e), as it has been or subsequently may be modified or amended by the County [Docket Nos. 410 & 932].

142. **“National”** means National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

143. **“National Fees and Expenses Claims”** means any and all Claims on account of fees, expenses, or costs incurred by National prior to the Effective Date that arise from or are related to the Case, the Series 2003-A GO Warrants, the Series 2004-A GO Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses.

144. **“National Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 27, 2013, by and between the County and National.

145. **“National Reimbursement Claims”** means any and all Claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Series 2003-A GO Warrants or on the Series 2004-A GO Warrants during the period from the Petition Date through the Effective Date.

146. **“National Reimbursement Payments”** means the following amounts that are payable, subject to the County’s prepayment rights under Section 2.3(r) of the Plan, on the following dates: (a) \$2,854,321.62 payable on April 1, 2025; (b) \$2,854,321.62 payable on April 1, 2026; and (c) \$2,854,321.63 payable on April 1, 2027.

147. **“New Bank Rate”** means the Prime Rate (as defined in the Standby School Warrant Purchase Agreement) plus 2.25%.

148. **“New Bessemer Lease”** means that certain *Lease Agreement* dated as of January 1, 2013, which the County and the PBA entered into pursuant to the Bessemer Stipulation.

149. **“New First Supplemental Sewer Warrant Indenture”** means that certain First Supplemental Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the Reserve Fund Reimbursement Warrants, the form of which supplemental indenture is included in the Plan Supplement.

150. **“New Sewer Warrant Indenture”** means, collectively, (a) that certain Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the New Sewer Warrants, the form of which trust indenture is included in the Plan Supplement; and (b) the New First Supplemental Sewer Warrant Indenture.

151. **“New Sewer Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as trustee under the New Sewer Warrant Indenture.

152. **“New Sewer Warrants”** means (a) the new sewer warrants issued by the County under the Plan, secured by the collateral specified in the New Sewer Warrant Indenture, and governed by the New Sewer Warrant Indenture, the forms of which sewer warrants are included in the Plan Supplement; and (b) when issued, the Reserve Fund Reimbursement Warrants.

153. **“New Sewer Wrap Policy”** means that certain municipal bond insurance policy to be issued by Assured on the Effective Date guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants (as that term is defined in the New Sewer Warrant Indenture) when due on substantially the terms set forth in the Further Amended Financing Plan and the forms of operative documents to be Filed as part of the Plan Supplement.

154. **“Non-Commutation True-Up Amount”** means an aggregate amount equal to, with respect to each Sewer Warrant held by a Person that elects not to make or is deemed not to make the Commutation Election, the difference between (a) 80% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant, and (b) 65% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant.

155. **“OPEB Plan”** means the single-employer, post-retirement welfare benefit plan sponsored by the County in accordance with the resolution of the County Commission first approved on September 25, 1990, and approved from time to time thereafter.

156. **“OPEB Plan Claims”** means any and all Claims of the OPEB Plan.

157. **“Other Secured Claims”** means any Secured Claims that are not otherwise expressly classified under the Plan.

158. **“Other Specified Sewer Claims”** means any and all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim.

159. **“Other Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements other than any Claims on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements). For the avoidance of doubt, the Other Standby Sewer Warrant Claims include the Liquidity Agent Standby Sewer Warrant Claims and any and all other Claims for reimbursement or indemnification, including with respect to any fees or expenses (including professional fees), of any party (other than the County) to the Standby Sewer Warrant Purchase Agreements.

160. **“Other Unimpaired Claims”** means any and all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims.

161. **“Outstanding Amount”** means, with respect to any series or subseries of non-commuted Sewer Warrants, (a) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on the Effective Date, the outstanding principal (after giving effect to all Distributions contemplated by the Plan) owing on such series or subseries of Sewer Warrants as of the Effective Date; or (b) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on a date after the Effective Date, the sum of (i) the outstanding principal (after giving effect to all Distributions contemplated by the Plan and any principal payments theretofore made by the applicable Sewer Warrant Insurer on or after the Effective Date) owing on such series or subseries of Sewer Warrants as of the date on which the applicable Sewer Warrant Insurer elects to pay outstanding accelerated principal and interest, and (ii) all interest accrued and unpaid on such series or subseries of Sewer Warrants after the Effective Date through the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries.

162. **“Pass-Through Obligation Claims”** means any and all Claims of the Birmingham-Jefferson Civic Center Authority, the State of Alabama, cities, towns, school districts, school boards, and other municipalities for taxes and other funds due to them or to any applicable trustee on their behalf that the County, under applicable state law, has collected on their behalf and is obligated to remit to them or to any applicable trustee on their behalf.

163. **“PBA”** means the Jefferson County Public Building Authority.

164. **“Permanent Injunction”** has the meaning set forth in Section 6.2 of the Plan.

165. **“Person”** means any person or organization created or recognized by law, including any association, company, cooperative, corporation, entity, estate, individual, joint stock company, joint venture, limited liability company, partnership, trust, unincorporated organization, or government or any political subdivision thereof.

166. **“Petition Date”** means November 9, 2011.

167. **“Plan”** means this *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)*, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time by the County in accordance with the terms hereof and Bankruptcy Code section 942.

168. **“Plan Procedures Order”** means 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], as clarified by the *Order Granting Jefferson County’s Motion for Clarification of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9*

Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)”, and (B) Related Confirmation Procedures, Deadlines, and Notices [Docket No. 2102].

169. **“Plan Supplement”** means that certain compilation of documents, forms of documents, schedules, and exhibits that was Filed by the County on September 30, 2013 [Docket No. 2101], as amended and supplemented prior to the Confirmation Hearing.

170. **“Plan Support Agreements”** means, collectively, the Depfa Plan Support Agreement, the GO Plan Support Agreement, the National Plan Support Agreement, and the Sewer Plan Support Agreements, in each case collectively with all exhibits and schedules thereto.

171. **“Plan Support Parties”** means, collectively, Depfa Bank PLC, the GO Plan Support Parties, and the Sewer Plan Support Parties.

172. **“Preserved Claims”** means all Causes of Action of the County, including the Avoidance Actions and other Causes of Action identified on Exhibit A to the Plan, against the Persons identified thereon, but excluding all Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court. The failure to specifically identify in the Disclosure Statement or the Plan any potential or existing Causes of Action as a Preserved Claim is not intended to and shall not limit the rights of the County to pursue any such Causes of Action. The County expressly reserves all Causes of Action, other than those Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court, as Preserved Claims for later adjudication, and no preclusion doctrine (including the doctrines of *res judicata*, collateral estoppel, judicial estoppel, equitable estoppel, issue preclusion, claim preclusion, and laches) shall apply to such Causes of Action as Preserved Claims on or after the Effective Date.

173. **“Primary Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements).

174. **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim to (b) the amount of that Allowed Claim, is the same as the ratio of (x) the amount of consideration available for Distribution on account of all Allowed Claims in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed Claims of that Class.

175. **“Professional Fee Claim”** means a Claim to be satisfied pursuant to Section 2.2(c) of the Plan with respect to amounts to be paid to a professional Person that has been duly retained by the County for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be Allowed or paid by the County if the underlying professional’s retention was by or on behalf of any Person other than the County or was otherwise not properly authorized by the County Commission.

176. **“Rate Resolution”** means the resolution adopted by the County Commission on September 23, 2013, to implement the Approved Rate Structure.

177. **“Receiver”** means John S. Young, Jr., LLC, the receiver appointed in the State Court Receivership Action, and any successor thereto or replacement thereof.

178. **“Receivership Actions”** means the Federal Court Receivership Action and the State Court Receivership Action.

179. **“Refinancing Proceeds”** means the net proceeds generated by the issuance of New Sewer Warrants.

180. **“Reinstated Sewer Warrant Interest Payments”** means all non-default rate interest (with respect to the Bank Warrants, including the Bank Warrants held by the Sewer Warrant Insurers, the Sewer Bank Rate) accrued and unpaid on account of any Sewer Warrants through and including the Effective Date, without providing for any interest on interest; *provided, however*, that any non-default rate interest paid by any of the Sewer Warrant Insurers during the period starting on February 1, 2013, and continuing through and including the Effective Date is not included within the “Reinstated Sewer Warrant Interest Payments,” but instead is part of the “Sewer Warrant Insurers Outlay Amount.”

181. **“Reinstated Sewer Warrant Principal Payments”** means all principal amounts that have become due and payable and remain unpaid (by the County, any Sewer Warrant Insurer, or otherwise) on account of any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, without giving effect to any acceleration or any accelerated redemption schedule (including any accelerated redemption schedule applicable to any Bank Warrants). Any principal amounts that have become or will become due and owing on any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, and that have been paid or are paid by any of the Sewer Warrant Insurers are not included within the “Reinstated Sewer Warrant Principal Payments,” but instead are part of the “Sewer Warrant Insurers Outlay Amount.”

182. **“Reinsurance Claim”** means, with respect to any particular bond or warrant insurance policy, any Claim that has been or could be asserted (directly or indirectly) by any Person that has acted or is acting as a “reinsurer” or in any similar capacity with respect to such insurance policy.

183. **“Rejection Bar Date”** means, with respect to any Rejection Damage Claim, the latest of (a) the first Business Day that is at least thirty (30) calendar days after the later of either (i) the date on which a Rejection Order is entered by the Bankruptcy Court or (ii) the effective date of such Rejection Order; (b) either (i) the General Bar Date or (ii) if the claimant is a governmental unit, the Governmental Unit Bar Date; and (c) solely as to those Rejection Damage Claims arising from the rejection of an unexpired lease or an executory contract under the Plan, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

184. **“Rejection Damage Claim”** means a Claim arising under Bankruptcy Code section 365(g) from the rejection of an unexpired lease or an executory contract.

185. **“Rejection Order”** means an order of the Bankruptcy Court entered prior to the Effective Date and authorizing the County’s rejection of an unexpired lease or an executory contract.

186. **“Related Parties”** means, collectively, (a) any affiliates of a Person, and (b) all of the respective accountants, affiliates, agents, assigns, attorneys, authorities, bankers, consultants, directors, employees, executors, financial advisors, heirs, investment bankers, managers, members, officers, officials, parent entities, partners, predecessors, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present, of such Person and of such Person’s affiliates; *provided, however*, that (x) the County’s Related Parties shall include the County Commission and its members, but shall not include any former County Commissioners or any former employees or officials of the County against which the County has any Preserved Claims; and (y) for the avoidance of doubt, the County’s Related Parties do not include the JPMorgan Parties or any of the JPMorgan Parties’ respective Related Parties.

187. **“Remaining Accumulated Sewer Revenues”** means the amount of Accumulated Sewer Revenues, if any, remaining after providing for the payment of all Reinstated Sewer Warrant Principal Payments, all Reinstated Sewer Warrant Interest Payments, and all Sewer Warrant Insurers Outlay Amount as required by Section 4.6(a) of the Plan.

188. **“Replacement 2001-B GO Warrants”** means replacement warrants to be issued in two series under the Plan, governed by the Amended and Restated GO Warrant Indentures, and named the “General Obligation Warrants, Series 2013-A” and the “General Obligation Warrants, Series 2013-B”, the forms of which warrants are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

189. **“Reserve Fund LOC”** means one or more irrevocable letters of credit to be issued by JPMorgan Chase Bank, N.A. on the Effective Date pursuant to the New First Supplemental Sewer Warrant Indenture for deposit to the debt service reserve fund(s) established under the New Sewer Warrant Indenture.

190. **“Reserve Fund LOC Agreements”** means, collectively, the Reserve Fund LOC and any reimbursement, collateral, or other agreements related to the Reserve Fund LOC, the forms of which agreements are included in the Plan Supplement.

191. **“Reserve Fund Reimbursement Warrants”** means the reserve fund reimbursement warrants issued by the County under the Plan, secured by the collateral specified in the New First Supplemental Sewer Warrant Indenture and any applicable Reserve Fund LOC Agreements, and governed by the New Sewer Warrant Indenture in connection with any draw on the Reserve Fund LOC, the forms of which reserve fund reimbursement warrants are included in the Plan Supplement.

192. **“Retained Amount”** means the sum of \$3,756,625.75 of Education Tax Revenues (as defined in the School Warrant Indenture) retained by the County during the pendency of the Case in the “Jefferson County Limited Obligation Warrant Revenue Account” established under the School Warrant Indenture.

193. **“Retirement System”** means the General Retirement System for Employees of Jefferson County, Alabama, which was established by the Alabama Legislature pursuant to Act Number 497, Acts of Alabama 1965, page 717, and is the administrator of a single-employer, defined benefit pension plan covering substantially all employees of the County.

194. **“Retirement System Claims”** means any and all Claims of the Retirement System.

195. **“Schedule of Assumed Agreements”** means the schedule of executory contracts and unexpired leases that the County will assume on the Effective Date. The initial Schedule of Assumed Agreements was included as part of the initial Plan Supplement; the current Schedule of Assumed Agreements is included as Exhibit B to the Plan, but remains subject to any modifications that may be made prior to the Effective Date pursuant to Section 3.1(a) of the Plan.

196. **“School Debt Claims”** means, collectively, all School Policy – General Claims, all School Surety Reimbursement Claims, all School Warrant Claims, all School Warrant Trustee Fee Claims, and all Subordinated School Claims.

197. **“School Insurance Policies”** means, together, the School Policy – General and the School Surety.

198. **“School Policy – General”** means that certain *Financial Guaranty Insurance Policy* number 23545BE issued by Ambac on or around February 2, 2005.

199. **“School Policy – General Claims”** means any and all Claims arising from or in connection with the School Policy – General, as well as any and all Claims of the School Warrant Insurer or any Transferee of the School Warrant Insurer arising from or in connection with the School Warrant Indenture, including all Claims arising in connection with any Series 2005-A School Warrants or Series 2005-B School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Policy – General, and including any related Reinsurance Claims.

200. **“School Surety”** means that certain *Surety Bond* number SB1982BE issued by Ambac on or around February 2, 2005.

201. **“School Surety Reimbursement Claims”** means any and all Claims arising from or in connection with (a) the School Surety or (b) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac, including all Claims arising in connection with any School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Surety, and including any related Reinsurance Claims.

202. **“School Warrant Claims”** means any and all Series 2004-A School Claims, Series 2005-A School Claims, and Series 2005-B School Claims.

203. **“School Warrant Event of Default”** shall have the meaning ascribed to the term “Event of Default” in, as applicable, the School Warrant Indenture or the Standby School

Warrant Purchase Agreement, and **“School Warrant Events of Default”** shall mean more than one such “Event of Default.”

204. **“School Warrant Indenture”** means that certain *Trust Indenture* dated as of December 1, 2004, between the County and the School Warrant Trustee, as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005.

205. **“School Warrant Insurer”** means Ambac.

206. **“School Warrant Second Supplemental Indenture”** means that certain supplement to the School Warrant Indenture to be executed as of the Effective Date of the Plan, which shall contain the amendments to the School Warrant Indenture effected by the Plan.

207. **“School Warrant Trustee”** means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the School Warrant Indenture.

208. **“School Warrant Trustee Fee Claims”** means any and all Claims of the School Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the School Warrant Indenture.

209. **“School Warrants”** means, collectively, the Series 2004-A School Warrants, the Series 2005-A School Warrants, and the Series 2005-B School Warrants.

210. **“Scotia Bank”** means The Bank of Nova Scotia.

211. **“Secured Claim”** means a Claim, including a Secured Tax Claim and Other Secured Claim, that is secured by a lien on property of the County, which lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the claimholder’s interest in the County’s interest in the collateral or to the extent of the amount subject to setoff against a Claim held by the County, whichever is applicable, and as determined under Bankruptcy Code section 506(a); to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, in the case of a Claim that is not a Special Revenues Claim, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which Secured Claim is a part makes a valid and timely election in accordance with Bankruptcy Code section 1111(b) to have such Claim treated as a Secured Claim to the extent Allowed.

212. **“Secured Tax Claim”** means a governmental unit’s Secured Claim for unpaid taxes.

213. **“Series 1997-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 1997-A Sewer Warrants, other than any Series 1997-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

214. **“Series 1997-A Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 1997-A issued in the original principal amount of \$211,040,000 and insured by FGIC.

215. **“Series 2001-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2001-A Sewer Warrants, other than any Series 2001-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

216. **“Series 2001-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2001-A issued in the original principal amount of \$275,000,000 and insured by FGIC.

217. **“Series 2001-B GO Claims”** means any and all Claims arising from or in connection with the Series 2001-B GO Warrants or the GO Warrant Indenture, including all Standby GO Warrant Claims and all GO Warrant Trustee Fee Claims, but excluding the GO Swap Agreement Claims.

218. **“Series 2001-B GO Warrants”** means those certain General Obligation Warrants, Series 2001-B issued in the original principal amount of \$120,000,000.

219. **“Series 2002-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-A Sewer Warrants together with any and all Claims arising from or in connection with that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A., other than any Series 2002-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

220. **“Series 2002-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2002-A issued in the original principal amount of \$110,000,000 and insured by FGIC.

221. **“Series 2002-C-1 & C-5 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-C-1 Sewer Warrants or the Series 2002-C-5 Sewer Warrants, other than any Series 2002-C-1 Sewer Warrants or Series 2002-C-5 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

222. **“Series 2002-C-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-1-A, C-1-B, C-1-C, and C-1-D, issued in the original principal amount of \$298,800,000, and insured by Syncora.

223. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims”** means any Claims arising from or in connection with the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to

the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, other than any Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

224. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-2, C-3, C-4, C-6, and C-7, issued in the original principal amount of \$442,400,000, and previously insured by Syncora.

225. **“Series 2002-C-5 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-5, issued in the original principal amount of \$98,300,000, and insured by Syncora.

226. **“Series 2003-A GO Claims”** means any and all Claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

227. **“Series 2003-A GO Warrants”** means those certain General Obligation Capital Improvement and Refunding Warrants, Series 2003-A issued in the original principal amount of \$94,000,000 and insured by National.

228. **“Series 2003-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-A Sewer Warrant.

229. **“Series 2003-A Sewer Warrant”** means that certain Sewer Revenue Refunding Warrant, Series 2003-A issued in the original principal amount of \$41,820,000 and presently held by Alabama Water Pollution Control Authority.

230. **“Series 2003-B-1 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-1 Sewer Warrants, other than any Series 2003-B-1 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

231. **“Series 2003-B-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-1-A, B-1-B, B-1-C, B-1-D, and B-1-E, issued in the original principal amount of \$735,800,000, and insured by FGIC.

232. **“Series 2003-B-2 Through B-7 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-2 Through B-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2003-B-2 Through B-7 Sewer Warrants, other than any Series 2003-B-2 Through B-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer

Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

233. **“Series 2003-B-2 Through B-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-2, B-3, B-4, B-5, B-6, and B-7, issued in the original principal amount of \$300,000,000, and previously insured by Syncora.

234. **“Series 2003-B-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants, other than any Series 2003-B-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies. For the avoidance of doubt, the Series 2003-B-8 Sewer Claims include the FGIC Assured-Insured Warrant Claims.

235. **“Series 2003-B-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-8, issued in the original principal amount of \$119,965,000, and insured by Assured.

236. **“Series 2003-C-1 Through C-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-1 Through C-8 Sewer Warrants, other than any Series 2003-C-1 Through C-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

237. **“Series 2003-C-1 Through C-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8, issued in the original principal amount of \$820,000,000, and insured by FGIC.

238. **“Series 2003-C-9 Through C-10 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-9 Through C-10 Sewer Warrants, other than any Series 2003-C-9 Through C-10 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

239. **“Series 2003-C-9 Through C-10 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-9 and C-10, issued in the original principal amount of \$232,025,000, and insured by Assured.

240. **“Series 2004-A GO Claims”** means any and all Claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

241. **“Series 2004-A GO Warrants”** means those certain General Obligation Warrants, Series 2004-A issued in the original principal amount of \$51,020,000 and insured by National.

242. **“Series 2004-A School Claims”** means any and all Claims arising from or in connection with the Series 2004-A School Warrants, other than any Series 2004-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

243. **“Series 2004-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2004-A issued in the original principal amount of \$650,000,000.

244. **“Series 2005-A School Claims”** means any and all Claims arising from or in connection with the Series 2005-A School Warrants, other than any Series 2005-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

245. **“Series 2005-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-A issued in the original principal amount of \$200,000,000 and insured by Ambac.

246. **“Series 2005-B School Claims”** means any and all Claims arising from or in connection with the Series 2005-B School Warrants, including all Standby School Warrant Claims, other than any Series 2005-B School Warrants held or acquired by the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

247. **“Series 2005-B School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-B issued in the original principal amount of \$200,000,000 and insured by Ambac.

248. **“Sewer Bank Rate”** means the “Bank Rate” as that term is defined in the applicable Standby Sewer Warrant Purchase Agreement.

249. **“Sewer Debt Claims”** means, collectively, all Bank Warrant Claims, all Other Specified Sewer Claims, all Other Standby Sewer Warrant Claims, all Primary Standby Sewer Warrant Claims, all Sewer Swap Agreement Claims, all Sewer Warrant Claims, all Sewer Warrant Insurers Claims, all Sewer Warrant Trustee Fee Claims, and all Subordinated Sewer Claims.

250. **“Sewer DSRF Policies”** means, collectively, (a) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (b) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (c) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (d) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005.

251. **“Sewer DSRF Reimbursement Agreements”** means, collectively, (a) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and

between the County and FGIC; (b) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (c) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (d) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured.

252. **“Sewer DSRF Reimbursement Claims”** means any and all Claims arising from or in connection with the Sewer DSRF Reimbursement Agreements or the Sewer DSRF Policies, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under or in connection with any of the Sewer DSRF Policies, and including any related Reinsurance Claims.

253. **“Sewer Insurance Policies”** means, collectively, the Sewer DSRF Policies and the Sewer Wrap Policies.

254. **“Sewer Liquidity Banks”** means, collectively, BNY, Scotia Bank, and State Street, each in its capacity as a liquidity bank with respect to Sewer Warrants, the Bank Warrant Claims, the Primary Standby Sewer Warrant Claims, the Other Standby Sewer Warrant Claims, and the Bank Warrant Default Interest Claims, and not in any other capacity.

255. **“Sewer Plan Support Agreements”** means, collectively, (i) those certain *Plan Support Agreements* among the County and each of the JPMorgan Parties, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders, dated as of June 6, 2013; (ii) that certain *Plan Support Agreement* among the County and the Sewer Liquidity Banks dated as of June 27, 2013; and (iii) that certain *Plan Support Agreement* between the County and LBSF dated as of July 24, 2013, in each case as the same may have been amended, modified, or supplemented in accordance with their respective terms.

256. **“Sewer Plan Support Parties”** means, collectively, the JPMorgan Parties, LBSF, the Sewer Liquidity Banks, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders.

257. **“Sewer Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the LBSF Periodic Payment Claim, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the

Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (e) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks; or (v) the “LBSF Claims” referenced in Section 3 of the Sewer Plan Support Agreement between the County and LBSF); and (f) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

258. **“Sewer Released Parties”** means each of the County, the FGIC Rehabilitator, the Receiver, the Sewer Plan Support Parties, and the Sewer Warrant Trustee.

259. **“Sewer Swap Agreement Claims”** means any and all Claims arising from or in connection with the Sewer Swap Agreements, including with respect to all “Transactions” (as defined in the Sewer Swap Agreements) thereunder, but excluding the LBSF Periodic Payment Claim.

260. **“Sewer Swap Agreements”** means, collectively, (a) the LBSF Swap Agreement; (b) that certain *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A., as subsequently amended via an amendment dated as of July 14, 2003, together with all schedules, annexes, and confirmations related thereto; and (c) that certain *ISDA Master Agreement* dated as of May 1, 2004, between the County and Bear Stearns Capital Markets Inc., together with all schedules, annexes, and confirmations related thereto.

261. **“Sewer System”** means the entire sanitary sewer system owned by the County.

262. **“Sewer Warrant Claims”** means any and all Series 1997-A Sewer Claims, Series 2001-A Sewer Claims, Series 2002-A Sewer Claims, Series 2002-C-1 & C-5 Sewer Claims, Series 2003-A Sewer Claims, Series 2003-B-1 Sewer Claims, Series 2003-B-8 Sewer Claims, Series 2003-C-1 Through C-8 Sewer Claims, and Series 2003-C-9 Through C-10 Sewer Claims. For the avoidance of doubt, (i) the FGIC Assured-Insured Warrant Claims are Sewer Warrant Claims; (ii) any Claims on account of Sewer Warrants held by any of the Sewer Warrant Insurers (other than the FGIC Assured-Insured Warrant Claims) are Sewer Warrant Insurers Claims; and (iii) the Bank Warrant Claims, the Other Standby Sewer Warrant Claims, and the Primary Standby Sewer Warrant Claims are not Sewer Warrant Claims.

263. **“Sewer Warrant Indenture”** means that certain *Trust Indenture* dated as of February 1, 1997, between the County and the Sewer Warrant Trustee, as subsequently supplemented by eleven supplemental indentures dated as of March 1, 1997, March 1, 1999, March 1, 2001, February 1, 2002, September 1, 2002, October 1, 2002, November 1, 2002, January 1, 2003, April 1, 2003, August 1, 2003, and May 1, 2004.

264. **“Sewer Warrant Indenture Funds”** means any funds or accounts that are established by or have any connection to the Sewer Warrant Indenture regardless of the pendency of any dispute concerning whether the Sewer Warrant Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

265. **“Sewer Warrant Insurers”** means, collectively, Assured, FGIC, and Syncora.

266. **“Sewer Warrant Insurers Agreements”** means those certain written agreements of the Sewer Warrant Insurers (to which the County is not a party), each dated as of June 6, 2013, and concerning, among other things, the agreed allocation of certain of the consideration payable under Section 2.3(c) of the Plan and certain commutations and settlements between and among the Sewer Warrant Insurers in respect of the Sewer Warrant Insurers Claims.

267. **“Sewer Warrant Insurers Claims”** means any and all Claims held by the Sewer Warrant Insurers, whatever the origin or nature, including all Sewer Wrap Policy Claims, all Sewer DSRF Reimbursement Claims, and all other Claims held by any Sewer Warrant Insurer arising from or in connection with the Sewer Warrants, the Sewer Warrant Indenture, or the Standby Sewer Warrant Purchase Agreements, but excluding the FGIC Assured-Insured Warrant Claims and the Asserted Full Recourse Sewer Claims. For the avoidance of doubt, Sewer Warrant Insurers Claims include any and all Claims that could be asserted in respect of (a) the Series 2002-A Sewer Warrants in the principal amount of \$101,465,000 owned by FGIC, or (b) the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and Series 2003-B-2 Through B-7 Sewer Warrants in the aggregate principal amount of \$214,191,875.11 owned by Syncora.

268. **“Sewer Warrant Insurers Outlay Amount”** means a sum equal to the amount of any and all payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of Sewer Warrants under any of the Sewer Insurance Policies on or after February 1, 2013, and through the Effective Date, plus interest on the principal portion of such payments, calculated at the underlying Sewer Warrant rate (e.g., 5.25% on the Series 2003-B-8 Sewer Warrants and two (2) times the one month LIBOR rate on the Series 2003-C-9 Through C-10

Sewer Warrants). For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to interest accrued on any Sewer Warrant.

269. **“Sewer Warrant Trustee”** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Sewer Warrant Indenture and as successor to AmSouth Bank of Alabama.

270. **“Sewer Warrant Trustee Fee Claims”** means any and all Claims of the Sewer Warrant Trustee for compensation, disbursements, expenses, fees (including fees of its counsel and experts), or indemnification pursuant to the Sewer Warrant Indenture.

271. **“Sewer Warrant Trustee Residual Fee Estimate”** means (a) the anticipated aggregate amount of reasonable expenses and fees (including reasonable fees of its counsel) that will be incurred by the Sewer Warrant Trustee in connection with the completion of the actions that the Sewer Warrant Trustee is required to take pursuant to Sections 4.6(a), 4.6(b), 4.6(c), 4.7(b), 4.8(c), 4.11 (only with respect to last sentence thereof), 4.15(e)(iv)(A), and 4.15(e)(v) of the Plan (and only such actions), which anticipated amount shall be provided in writing to the County’s counsel on or before the seventh (7th) calendar day after the Confirmation Date; plus (b) an amount not to exceed \$100,000 in respect of any indemnification rights, which amount shall be returned to the County if not used by the tenth (10th) annual anniversary of the Effective Date. The Sewer Warrant Trustee Residual Fee Estimate shall not include (i) any anticipated amounts in respect of the Sewer Wrap Payment Rights Administration Expenses; or (ii) except as set forth above, any amounts or reserves in respect of indemnification rights.

272. **“Sewer Warrant Trustee’s Asserted Recourse Claim”** means the proof of Claim filed by the Sewer Warrant Trustee “in an amount not less than \$85,562,828.31.”

273. **“Sewer Warrants”** means, collectively, the Series 1997-A Sewer Warrants, the Series 2001-A Sewer Warrants, the Series 2002-A Sewer Warrants, the Series 2002-C-1 Sewer Warrants, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, the Series 2002-C-5 Sewer Warrants, the Series 2003-A Sewer Warrant, the Series 2003-B-1 Sewer Warrants, the Series 2003-B-2 Through B-7 Sewer Warrants, the Series 2003-B-8 Sewer Warrants, the Series 2003-C-1 Through C-8 Sewer Warrants, and the Series 2003-C-9 Through C-10 Sewer Warrants. For the avoidance of doubt, all Bank Warrants are also Sewer Warrants.

274. **“Sewer Wrap Payment Rights”** means any rights of a holder of Sewer Warrants against the applicable Sewer Warrant Insurer insuring such holder’s Sewer Warrants to receive any payments under, in connection with, or on account of such Sewer Warrant Insurer’s Sewer Wrap Policies, but only with respect to any Sewer Warrants as to which such holder did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

275. **“Sewer Wrap Payment Rights Administration Expenses”** means the reasonable expenses and fees of the Sewer Warrant Trustee, if any, associated with the pursuit and administration of any Sewer Wrap Payment Rights after the Effective Date, including making demands on the applicable Sewer Warrant Insurer, calculating any amounts due under the applicable Sewer Wrap Policies, and receiving or distributing any funds payable on account

of any Sewer Wrap Payment Rights. The Sewer Warrant Trustee shall provide an estimate in writing of the Sewer Wrap Payment Rights Administration Expenses to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

276. **“Sewer Wrap Policies”** means, collectively, (a) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997, as it may be amended by FGIC’s plan of rehabilitation; (b) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001, as it may be amended by FGIC’s plan of rehabilitation; (c) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002, as it may be amended by FGIC’s plan of rehabilitation; (d) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (e) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003, as it may be amended by FGIC’s plan of rehabilitation; (f) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (g) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (h) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003, as it may be amended by FGIC’s plan of rehabilitation; and (i) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003.

277. **“Sewer Wrap Policy Claims”** means any and all Claims arising from or in connection with the Sewer Wrap Policies, as well as any and all Claims of any of the Sewer Warrant Insurers or any Transferee of any of the Sewer Warrant Insurers arising from or in connection with the Sewer Warrant Indenture, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claims under or in connection with any of the Sewer Wrap Policies, and including any related Reinsurance Claims. For the avoidance of doubt, the Sewer Wrap Policy Claims do not include the Sewer DSRF Reimbursement Claims.

278. **“Special Revenues Claim”** means a Claim payable solely from “special revenues” (as defined in Bankruptcy Code section 902(2)) under applicable nonbankruptcy law, including all School Debt Claims and all Sewer Debt Claims.

279. **“Standby GO Warrant Claims”** means any and all Claims arising from or in connection with the Standby GO Warrant Purchase Agreement.

280. **“Standby GO Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the GO Warrant Trustee, and the GO Banks, as subsequently amended by that certain *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004.

281. **“Standby School Warrant Claims”** means any and all Claims of Depfa Bank PLC arising from or in connection with the Standby School Warrant Purchase Agreement.

282. **“Standby School Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005, among the County, the School Warrant Trustee, and Depfa Bank PLC.

283. **“Standby Sewer Warrant Purchase Agreements”** means, collectively, (a) that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A.; (b) those certain *Standby Warrant Purchase Agreements* dated as of October 1, 2002, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, and Regions Bank; and (c) those certain *Standby Warrant Purchase Agreements* dated as of May 1, 2003, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of Société Générale, New York Branch, BNY, State Street, and Lloyds TSB Bank plc.

284. **“State Court Receivership Action”** means *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Civil Action No. CV-2009-02318, pending in the Circuit Court of Jefferson County, Alabama.

285. **“State Street”** means State Street Bank and Trust Company.

286. **“Subordinated Claim”** means a Claim that is determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c), including all Subordinated General Claims, Subordinated School Claims, and Subordinated Sewer Claims.

287. **“Subordinated General Claims”** means any and all Claims that represent general obligations of the County and are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 5-A, Class 5-B, Class 5-C, Class 5-D, or Class 5-E that are Allowed under the Plan are not Subordinated General Claims or subject to subordination.

288. **“Subordinated School Claims”** means any and all School Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) and 510(c). For the avoidance of doubt, all Claims in Class 2-A, Class 2-B, Class 2-C, Class 2-D, or Class 2-E that are Allowed under the Plan are not Subordinated School Claims or subject to subordination.

289. **“Subordinated Sewer Claims”** means any and all Sewer Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 1-A, Class 1-B, Class 1-C, or Class 1-D that are Allowed under the Plan are not Subordinated Sewer Claims or subject to subordination.

290. **“Supporting Sewer Warrantholder Directed Distribution”** has the meaning set forth in Section 4.9(b) of the Plan.

291. **“Supporting Sewer Warrantholder Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 6, 2013, by and among County, JPMorgan Chase Bank, N.A., and the Supporting Sewer Warrantholders from time to time party thereto.

292. **“Supporting Sewer Warrantholders”** means each of those Persons that owns, or manages or advises accounts or funds that own, Sewer Warrants and that is or becomes a signatory to the Supporting Sewer Warrantholder Plan Support Agreement.

293. **“Syncora”** means Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc.

294. **“Syncora Settlement Agreement”** means that certain *Settlement Agreement* by and among JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, Regions Bank, BNY, State Street, Lloyds TSB Bank, plc, as liquidity banks under the Standby Sewer Warrant Purchase Agreements, and Syncora, dated as of April 7, 2010, collectively with any exhibits thereto and any ancillary documents associated therewith.

295. **“Tail Risk”** means the claim exposure of each of the Sewer Warrant Insurers under the applicable Sewer Wrap Policies that remains after the Effective Date (after giving effect to the County’s payment of the Non-Commutation True-Up Amount to the Sewer Warrant Insurers, but without taking into account any reduction in FGIC’s payment obligations pursuant to any plan of rehabilitation for FGIC) based on (a) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders that elected not to make or were deemed not to make the Commutation Election, *less* the Distributions made to such holders pursuant to Option 2 of Section 2.3(a) of the Plan; and (b) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders of Series 2003-C-9 Through C-10 Sewer Warrants insured by Assured that are deemed to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, *less* the Distributions made to such holders pursuant to Option 1 of Section 2.3(a) of the Plan.

296. **“Tax Abatement Agreement Claims”** means any and all Claims arising from or in connection with the Tax Abatement Agreements.

297. **“Tax Abatement Agreements”** means any agreement pursuant to which any sales tax, use tax, recording tax, non-educational *ad valorem* tax, or other tax has been or currently is being abated under the Tax Incentive Reform Act of 1992, codified at Alabama Code section 40-9B-1, *et seq.*

298. **“Transferee”** means any Person that, after the Petition Date, obtained or obtains any beneficial interest in all or any part of a particular Claim, whether by way of assignment, bequest, foreclosure, hypothecation, lien, mortgage, pledge, sale, or other method of “transfer” as that word is defined in Bankruptcy Code section 101(54).

299. **“True-Up Amount”** means a sum equal to the aggregate amount of any interest paid on account of any Series 2005-B School Claims during the period between August 31,

2013, and the Effective Date at a rate higher than the New Bank Rate, as agreed by and acceptable to Depfa Bank PLC and the County.

300. **“True-Up Amount Certificate”** means a certificate delivered to the School Warrant Trustee pursuant to Section 2.3(i) of the Plan confirming the amount of the True-Up Amount and directing the School Warrant Trustee to implement the provisions of the Plan reducing the principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants.

301. **“Unclaimed Distribution”** means any Distribution other than an Undeliverable Distribution with respect to which the County tenders a distribution check and that distribution check is not cashed within forty-five (45) calendar days after its issuance date.

302. **“Undeliverable Distribution”** means any Distribution with respect to which the County tenders a distribution check and that distribution check is returned as undeliverable.

303. **“Uninsured Portion”** means the portion of an Allowed General Liability Claim that is not the Insured Portion.

304. **“Unliquidated Claim”** means a Claim that is listed on the List of Creditors as unliquidated.

305. **“Unused Covered Tail Risk Amount”** means an amount equal to the positive difference between \$25 million and the aggregate Covered Tail Risk that the County is required to pay on the Effective Date pursuant to the Plan; *provided, however*, that the Unused Covered Tail Risk Amount shall in no event exceed the lesser of (a) \$750,000 and (b) the estimated amount of the Sewer Wrap Payment Rights Administration Expenses to be provided by the Sewer Warrant Trustee to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

306. **“Wilson Action”** means, together, that certain adversary proceeding styled as *Charles E. Wilson, et al. v. JPMorgan Chase & Co., et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 11-00433 (Bankr. N.D. Ala.), and the counts remaining in that certain action styled as *Wilson v. Bank of America, et al.* Circuit Court of Jefferson County, Alabama, Birmingham Division, Case No. CV-2008-901907.00.

307. **“Workers Compensation Claims”** means any and all Claims pursuant to Alabama workers compensation law of Persons who suffered an eligible injury while employed by the County or by the State of Alabama and for which Claims the County is liable for payment by agreement or applicable law.

Section 1.2. Interpretation; Rules of Construction; Computation of Time.

(a) **Defined Terms.** Any term used in the Plan or the Plan’s Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

(b) **Rules of Interpretation and Construction.**

1. The definition given to any term or provision in the Plan or the Plan's Exhibits supersedes and controls any different meaning that may be given to that term or provision in the Disclosure Statement, on any Ballot, or in any Plan Support Agreement.
2. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.
3. All references in the Plan and the Plan's Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.
4. Whenever the Plan or the Plan's Exhibits use the word "including," such reference shall be deemed to mean "including, without limitation,".
5. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.
6. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or supplement (including the Plan Support Agreements as they may be applicable to any amendment or supplement of the Plan).
7. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.
8. Unless otherwise indicated, the phrase "under the Plan" and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.
9. Unless otherwise specified, all references to "Articles," "Exhibits," "Schedules," or "Sections" are references to articles, exhibits, schedules, and sections of or to the Plan.
10. The words "herein," "hereof," "hereto," "hereunder," "herewith," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.
11. Captions and headings to articles and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.
12. Whenever the Plan or the Plan's Exhibits provides that a document or thing must be "acceptable" or "satisfactory" to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

13. All other rules of construction set forth in Bankruptcy Code section 102 apply to the Plan and the Plan's Exhibits to the extent not inconsistent with this Section 1.2.

(c) **Time Periods.** In computing any period of time prescribed or allowed by the Plan or the Plan's Exhibits, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS

Section 2.1. Summary and Classification of Claims.

This Section classifies Claims – except for Administrative Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims	Unimpaired	Not Entitled to Vote
Class 1-A	Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-B	Bank Warrant Claims and Primary Standby Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-C	Sewer Warrant Insurers Claims	Impaired	Entitled to Vote
Class 1-D	Other Specified Sewer Claims	Impaired	Entitled to Vote
Class 1-E	Sewer Swap Agreement Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 1-F	Other Standby Sewer Warrant Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 2-A	Series 2004-A School Claims	Impaired	Entitled to Vote
Class 2-B	Series 2005-A School Claims	Impaired	Entitled to Vote
Class 2-C	Series 2005-B School Claims and Standby School Warrant Claims	Impaired	Entitled to Vote
Class 2-D	School Policy – General Claims	Impaired	Entitled to Vote
Class 2-E	School Surety Reimbursement Claims	Impaired	Entitled to Vote

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
Class 3-A	Board of Education Lease Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3-B	Board of Education Lease Policy Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 4	Other Secured Claims, including Secured Tax Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-A	Series 2001-B GO Claims and Standby GO Warrant Claims	Impaired	Entitled to Vote
Class 5-B	Series 2003-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-C	Series 2004-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-D	GO Policy Claims	Impaired	Entitled to Vote
Class 5-E	GO Swap Agreement Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Entitled to Vote
Class 7	Bessemer Lease Claims	Impaired	Entitled to Vote
Class 8	Other Unimpaired Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 9	Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.

The treatment in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any liens, encumbrances, charges, and interests) that each Person holding a Claim may have or assert against the County or its property. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may otherwise have or assert against the County or its property. Other than the Reinstated Sewer Warrant Interest Payments, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter to the remaining portion of such Allowed Claim, if any; *provided, however*, that the County's treatment of any Distributions for its tax purposes will not be binding on any Creditor as to the treatment of such Distributions for any regulatory, tax, or other purposes.

Section 2.2. Allowance and Treatment of Administrative Claims.

(a) Allowance of Administrative Claims.

(i) Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed by the County, Administrative Claims will be Allowed only if:

- (A) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim both Files with the Bankruptcy Court and serves on the County a motion requesting allowance of the Administrative Claim; and
- (B) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Claim.

The County or any other party in interest may File an objection to such motion within sixty (60) calendar days after the expiration of the Administrative Claims Bar Date, unless such time period for filing such objection is extended by the Bankruptcy Court. **THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY DISTRIBUTED PURSUANT TO THE PLAN.**

(ii) Cure Payments.

Cure Payments shall be Allowed in accordance with the procedures set forth in Section 3.1(b).

(iii) 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed by the County, a 503(b)(9) Claim will be Allowed only if:

- (A) The 503(b)(9) Claim is Filed by the 503(b)(9) Bar Date, or is deemed timely Filed; and
- (B) If an objection to such 503(b)(9) Claim is Filed by a party in interest on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is an Allowed 503(b)(9) Claim.

PURSUANT TO THE BAR DATE ORDER, ALL PERSONS HOLDING 503(b)(9) CLAIMS THAT DID NOT TIMELY FILE SUCH CLAIMS BY THE 503(b)(9) BAR

DATE ARE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING THOSE CLAIMS AGAINST THE COUNTY OR ITS PROPERTY.

(b) Treatment of Administrative Claims.

(i) Administrative Claims Generally.

Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order.

(ii) Cure Payments.

Cure Payments will be made to the non-debtor parties to the subject executory contracts or unexpired leases in accordance with Section 3.1.

(iii) 503(b)(9) Claims.

Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim to be an Allowed 503(b)(9) Claim becomes a Final Order.

(c) Professional Fees.

Pursuant to Bankruptcy Code section 943(b)(3), all amounts to be paid for services or expenses in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable. There shall be paid to each holder of a Professional Fee Claim in full, final, and complete settlement, satisfaction, release, and discharge of such Claim, Cash in an amount equal to the portion of such Professional Fee Claim that the Bankruptcy Court determines is reasonable on or as soon as is reasonably practicable following the date on which the Bankruptcy Court enters an order determining reasonableness. The County, in the ordinary course of its business, and without the requirement for Bankruptcy Court approval, may pay for professional services rendered and expenses incurred following the Effective Date.

(d) Administrative Tax Claims.

Notwithstanding anything to the contrary in the Plan or in the Confirmation Order, a governmental unit shall not be required to file, make, or submit a request for payment (or any document, including a bill) of an expense described in Bankruptcy Code section 503(b)(1)(B) or (C) as a condition of its being an Allowed Administrative Claim, and the County shall pay in full all such Allowed Administrative Claims, including any interest related thereto, when due.

(e) **No Other Priority Claims.**

The only category of priority Claim incorporated into a chapter 9 case through Bankruptcy Code section 901(a) are Administrative Claims allowable under Bankruptcy Code section 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described in Section 2.2(b) above. No other kinds of priority claims set forth in Bankruptcy Code section 507 are recognized or entitled to priority in chapter 9 or in this Case, but rather are treated in chapter 9 and in this Case and classified in the Plan as General Unsecured Claims.

Section 2.3. Classification and Treatment of Classified Claims.

(a) **Class 1-A (Sewer Warrant Claims).**

Class 1-A consists of all Sewer Warrant Claims. Class 1-A is Impaired under the Plan. Class 1-A Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants giving rise to Class 1-A Claims and (ii) the amount of any Reinstated Sewer Warrant Principal Payments and Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants giving rise to Class 1-A Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-A Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-A Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete

settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims; and (ii) the retention of Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring such holder's Sewer Warrants, which Sewer Wrap Payment Rights shall not be waived or impaired.

- B. Regardless of the option selected, each holder of an Allowed Class 1-A Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Principal Payments and any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the non-default rate on any Sewer Warrants after the Petition Date and (ii) any interest on interest on any Sewer Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-A Claims that make the Commutation Election as provided in this Section 2.3(a) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A Claims and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election with respect to all Sewer Warrants held by each of the JPMorgan Parties and each Supporting Sewer Warrantholder, subject to the exceptions contained in Section 3(e) of the Supporting Sewer Warrantholder Plan Support Agreement.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-A Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(a) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(b) **Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims).**

Class 1-B consists of all Bank Warrant Claims and (to the extent not otherwise included) all Primary Standby Sewer Warrant Claims. Class 1-B is Impaired under the Plan. Class 1-B Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Bank Warrants giving rise to Class 1-B Claims; and (ii) the amount of any Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Bank Warrants giving rise to Class 1-B Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-B Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-B Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-B Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-B Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims (including any Bank Warrant Default Interest Claims) and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties; or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, a Distribution (x) on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants and (y) on the first Business Day that is at least thirty (30) calendar days after the entry of a Final Order allowing such Claims, of Cash from a reserve account to be funded on the Effective Date from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of any Allowed Bank Warrant Default Interest Claims held by such holder in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims.

- B. Regardless of the option selected, each holder of an Allowed Class 1-B Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the Sewer Bank Rate on any Bank Warrants after the Petition Date and (ii) any interest on interest on any Bank Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-B Claims that make the Commutation Election as provided in this Section 2.3(b) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election and to waive any Bank Warrant Default Interest Claims held by such JPMorgan Party, Sewer Liquidity Bank, and Supporting Sewer Warrantholder, as applicable, with respect to all Bank Warrants held by each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-B Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

No additional or other Distributions will be made under the Plan to any Person on account of the Primary Standby Sewer Warrant Claims (to the extent not otherwise included within the Bank Warrant Claims).

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(b) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(c) **Class 1-C (Sewer Warrant Insurers Claims).**

Class 1-C consists of all Sewer Warrant Insurers Claims. Class 1-C is Impaired under the Plan. Class 1-C Claims shall be Allowed on the Effective Date in an aggregate amount, without duplication, equal to the sum of (i) the amount of the Sewer Warrant Insurers Claims, (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants held by the Sewer Warrant Insurers, and (iii) the Sewer Warrant Insurers Outlay Amount, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

The holders of Allowed Class 1-C Claims shall receive from or on behalf of the County on the Effective Date, in full, final, and complete settlement, satisfaction, release, and exchange of each such holder's Class 1-C Claims:

(i) subject to the reductions set forth in Section 2.3(c)(vi) below, an aggregate Distribution of \$165,000,000 in Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurers Agreements;

(ii) a separate aggregate Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be equal to the Non-Commutation True-Up Amount attributable to

all Sewer Warrants insured by each Sewer Warrant Insurer under a Sewer Wrap Policy and held by Persons that elected not to make or were deemed not to make the Commutation Election;

(iii) a payment in full from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to each Sewer Warrant Insurer's Covered Tail Risk;

(iv) subject to the reductions set forth in Section 2.3(c)(vi) below, Distributions of Cash on account of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, in each case if applicable and if any, in accordance with Section 4.6(a);

(v) any Excess Refinancing Proceeds to which the Sewer Warrant Insurers are entitled pursuant to and in accordance with Section 4.19; and

(vi) subject to the issuance of the New Sewer Wrap Policy by Assured, the amounts otherwise distributable (A) to Syncora pursuant to Section 2.3(c)(iv) above shall be reduced by the sum of \$12,250,000; and (B) to FGIC pursuant to (1) Section 2.3(c)(i) above shall be reduced by the sum of \$8,500,000, and (2) Section 2.3(c)(iv) above on account of the Series 2002-A Sewer Warrants held by FGIC shall be reduced by the sum of \$5,500,000.

As part of the global settlement implemented under the Plan, the Sewer Warrant Insurers will be deemed to waive and release all Bank Warrant Default Interest Claims.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-C Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(c) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(d) Class 1-D (Other Specified Sewer Claims).

Class 1-D consists of all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim. Class 1-D is Impaired under the Plan.

All Claims in Class 1-D will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 1-D Claims, and as part of the global settlement between the County and the Sewer Released Parties implemented pursuant to the Plan, on the Effective Date the County shall pay (i) \$10.00 to JPMS and (ii) \$1,250,000.00 to LBSF, in each case from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof. By its acceptance of or non-

objection to confirmation of the Plan, JPMS shall have consented and agreed, pursuant to Bankruptcy Code section 1123(a)(4), to receive less favorable treatment than LBSF on account of its Allowed Class 1-D Claim.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-D Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(d) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(e) Class 1-E (Sewer Swap Agreement Claims).

Class 1-E consists of all Sewer Swap Agreement Claims. Class 1-E is Impaired under the Plan.

The holders of Sewer Swap Agreement Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-E Claims nor will such holders retain any property on account of such Claims, Class 1-E is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-E are not entitled to vote to accept or reject the Plan on account of such Claims.

(f) Class 1-F (Other Standby Sewer Warrant Claims).

Class 1-F consists of all Other Standby Sewer Warrant Claims. Class 1-F is Impaired under the Plan.

The holders of Other Standby Sewer Warrant Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-F Claims nor will such holders retain any property on account of such Claims, Class 1-F is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-F are not entitled to vote to accept or reject the Plan on account of such Claims.

(g) Class 2-A (Series 2004-A School Claims).

Class 2-A consists of all Series 2004-A School Claims. Class 2-A is Impaired under the Plan.

All Claims in Class 2-A will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A School Claims subject to subordination under

Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-A Claim will on account of such holder's Class 2-A Claim retain all of such holder's rights and interests in its Series 2004-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2004-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2004-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-A Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-A Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2004-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-A Claims.

(h) Class 2-B (Series 2005-A School Claims).

Class 2-B consists of all Series 2005-A School Claims. Class 2-B is Impaired under the Plan.

All Claims in Class 2-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2005-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-B Claim will on account of such holder's Class 2-B Claim retain all of such holder's rights and interests in its Series 2005-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2005-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2005-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School

Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.

- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any “orderly liquidation authority” under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-B Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-B Claims on account of the County’s retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the “Jefferson County Limited Obligation School Warrant Revenue Account” established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee’s rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2005-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-B Claims.

(i) **Class 2-C (Series 2005-B School Claims and Standby School Warrant Claims).**

Class 2-C consists of all Series 2005-B School Claims and (to the extent not otherwise included) all Standby School Warrant Claims. Class 2-C is Impaired under the Plan.

All Claims in Class 2-C will be Allowed on the Effective Date. Each holder of an Allowed Class 2-C Claim will on account of such holder's Class 2-C Claim retain all of such holder's rights and interests in its Series 2005-B School Warrants, which will be repaid on the terms and conditions set forth in School Warrant Indenture and the Standby School Warrant Purchase Agreement, in each case as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture and the Standby School Warrant Purchase Agreement shall be modified on the Effective Date in the following respects:

- (i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the New Bank Rate.
- (ii) All School Warrant Events of Default under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (iii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, February 11, 2013, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013, and the Effective Date shall be deemed waived and of no further force or effect: (A) the pendency of the Case; (B) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the County's retention of the Retained Amount in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Case notwithstanding any contrary provision of the School Warrant Indenture. In addition, all School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant

Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the Effective Date shall be deemed waived and of no further force or effect: (x) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; and (y) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

- (iv) Provided that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, each holder of a Class 2-C Claim shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including under the School Insurance Policies. For the avoidance of doubt, if any School Warrant Events of Default (other than those waived pursuant to the provisions described in clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, the holders of Class 2-C Claims will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby School Warrant Purchase Agreement from and after the occurrence of such School Warrant Events of Default. The County will represent at the Confirmation Hearing that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) have occurred under the School Warrant Indenture or the Standby School Warrant Purchase Agreement during the period between February 11, 2013, and the date on which the Confirmation Hearing begins and will request that the Bankruptcy Court include such a finding in the Confirmation Order.
- (v) At least five (5) Business Days prior to the first interest payment date after the Effective Date, the County shall provide the True-Up Certificate to the School Warrant Trustee and direct the School Warrant Trustee: (X) to reduce the aggregate outstanding principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants, and (Y) to subtract the remainder of the True-Up Amount (after giving effect to the principal reduction referenced in clause (X) of this sentence) from the interest otherwise payable on such interest payment date on account of the Series 2005-B School Warrants. Holders of the Series 2005-B School Warrants shall take such actions as may be reasonably requested by the School Warrant Trustee to implement the principal reduction by the True-Up Amount as described herein.
- (vi) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School

Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

- (vii) If the County causes a remarketing of or restructuring of any of the outstanding Series 2005-B School Warrants under the School Warrant Indenture, such remarketing or restructuring shall be for no less than 100% of such outstanding Series 2005-B School Warrants and the Standby School Warrant Purchase Agreement shall be replaced or cancelled contemporaneously with the closing of such remarketing or restructuring, thereby relieving Depfa Bank PLC from its obligations to provide liquidity support with respect to the Series 2005-B School Warrants. For the avoidance of doubt, the preceding sentence is intended to prohibit the County from remarketing or restructuring a portion of the Series 2005-B Warrants and leaving the Standby School Warrant Purchase Agreement in place; further, the preceding sentence is intended to require the County to remarket or restructure the Series 2005-B School Warrants on an all or none basis

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-C Claims shall consent to the execution of the School Warrant Second Supplemental Indenture, in a form acceptable to Depfa Bank PLC, by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-C Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

(j) Class 2-D (School Policy – General Claims).

Class 2-D consists of all School Policy – General Claims. Class 2-D is Impaired under the Plan.

All Claims in Class 2-D will be Allowed on the Effective Date. Notwithstanding anything to the contrary in the School Policy – General, the School Warrant Indenture, or the

Standby School Warrant Purchase Agreement, the holders of Class 2-D Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-D Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(k) Class 2-E (School Surety Reimbursement Claims).

Class 2-E consists of all School Surety Reimbursement Claims. Class 2-E is Impaired under the Plan.

All Claims in Class 2-E will be Allowed on the Effective Date. Notwithstanding anything to the contrary in (i) the School Surety; (ii) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac; (iii) the School Warrant Indenture; or (iv) the Standby School Warrant Purchase Agreement, the holders of Class 2-E Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-E Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(l) Class 3-A (Board of Education Lease Claims).

Class 3-A consists of all Board of Education Lease Claims. Class 3-A is not Impaired under the Plan.

All Claims in Class 3-A will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-A Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. The holders of Board of Education Lease Warrants shall retain all of their limited payment rights and recourse against the collateral securing obligations under the Board of Education Lease Indenture. Consistent with the Board of Education Lease Indenture, the County has no general liability on account of the Board of Education Lease Claims, which fact will be unaltered by the Plan. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-A Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-A Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-A Claims. For the avoidance of doubt, the rights of the Board of Education

Lease Trustee under the Board of Education Lease Indenture, including in respect of any unpaid Board of Education Lease Trustee Fee Claims, are unimpaired by the Plan.

(m) Class 3-B (Board of Education Lease Policy Claims).

Class 3-B consists of all Board of Education Lease Policy Claims. Class 3-B is not Impaired under the Plan.

All Claims in Class 3-B will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-B Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-B Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-B Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-B Claims.

(n) Class 4 (Other Secured Claims, including Secured Tax Claims).

Class 4 consists of all Other Secured Claims, including all Secured Tax Claims. Each Class 4 Claim shall constitute its own subclass. Class 4 is not Impaired under the Plan.

All Claims in Class 4 will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 4 Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. Unless the holder of an Allowed Class 4 Claim in a particular Class 4 subclass agrees to other treatment, on or as soon as is reasonably practicable after the Effective Date, such holder shall receive, at the County's option: (i) Cash in the Allowed amount of such holder's Allowed Class 4 Claim; (ii) the return of the collateral securing such Allowed Class 4 Claim, without representation or warranty by or recourse against the County; or (iii) (A) the cure of any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to such holder's Allowed Class 4 Claim, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (B) the reinstatement of the maturity of such Allowed Class 4 Claim as the maturity existed before any default, without recognition of any default rate of interest or similar penalty or charge; and (C) its unaltered legal, equitable, and contractual rights with respect to such Allowed Class 4 Claim.

The Bankruptcy Court shall retain jurisdiction to determine the amount necessary to satisfy any Allowed Class 4 Claim for which treatment is elected under clause (i) or clause (iii) of the immediately foregoing paragraph. With respect to any Allowed Class 4 Claim for which treatment is elected under clause (i), any holder of such Allowed Class 4 Claim shall release (and by the Confirmation Order shall be deemed to release) all liens against property of the County.

(o) **Class 5-A (Series 2001-B GO Claims and Standby GO Warrant Claims).**

Class 5-A consists of all Series 2001-B GO Claims and (to the extent not otherwise included) all Standby GO Warrant Claims. Class 5-A is Impaired under the Plan.

All Claims in Class 5-A will be Allowed on the Effective Date. However, with the exception of Claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of the BLB GO Claim and the JPMorgan GO Claim), the additional settlement payments set forth in this Section 2.3(o), and the reasonable fees and expenses of the GO Warrant Trustee, the GO Warrant Trustee and the GO Banks will waive and release all other asserted Claims in Class 5-A, including on account of default rate interest, the GO Banks' fees and expenses, and postpetition interest, which will receive no Distribution under the Plan.

On the Effective Date each holder of an Allowed Class 5-A Claim shall receive, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Series 2001-B GO Claims, the following: (1) Cash in the amount of \$123,291.67, to be distributed as specified in Exhibit A to the GO Plan Support Agreement; and (2) a Pro Rata Distribution of Replacement 2001-B GO Warrants, which will be repaid on the terms set forth in the Amended and Restated GO Warrant Indentures. In addition, the County shall pay the following amounts in Cash on the Effective Date as consideration for the settlement, waiver, and release of additional prepetition Claims under the Standby GO Warrant Purchase Agreement: \$500,000 payable to BLB and \$250,000 payable to JPMorgan Chase Bank, N.A.; *provided, however*, that (x) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to BLB pursuant to this sentence; and (y) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to JPMorgan Chase Bank, N.A. pursuant to this sentence; *provided, further*, that the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants and netted against the amounts payable to BLB and JPMorgan Chase Bank, N.A. pursuant to this sentence shall not exceed \$50,000 in the aggregate.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2001-B GO Warrants and the Replacement 2001-B GO Warrants.

In accordance with the GO Warrant Indenture, the County shall pay all reasonable fees and expenses of the GO Warrant Trustee, including the reasonable fees and expenses of its agents and counsel, in Cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) Business Days after the Effective Date. Nothing in the Plan is intended to or will affect the rights and priorities granted to the GO Warrant Trustee pursuant to Sections 12.3(b) and 13.7(b) of the GO Warrant Indenture.

(p) Class 5-B (Series 2003-A GO Claims).

Class 5-B consists of all Series 2003-A GO Claims. Class 5-B is not Impaired under the Plan.

All Claims in Class 5-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2003-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-B Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-B Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2003-A and in its Series 2003-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants, the Series 2003-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2003-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2003-A GO Warrants.

(q) Class 5-C (Series 2004-A GO Claims).

Class 5-C consists of all Series 2004-A GO Claims. Class 5-C is not Impaired under the Plan.

All Claims in Class 5-C will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-C Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-C Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2004-A and in its Series 2004-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such

treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2004-A GO Warrants, the Series 2004-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2004-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2004-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2004-A GO Warrants.

(r) **Class 5-D (GO Policy Claims).**

Class 5-D consists of all GO Policy Claims. Class 5-D is Impaired under the Plan.

All Claims in Class 5-D will be Allowed on the Effective Date, and National shall receive the following payments, in full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-D Claims:

(i) the County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(ii) the County will pay \$2,880,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(iii) the County will pay \$2,965,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015;

(iv) as a compromise and settlement of the National Fees and Expenses Claims, the County will pay National \$1,500,000 in Cash on the Effective Date;

(v) as a compromise and settlement of the National Reimbursement Claims, including National's contention that the National Reimbursement Claims constitute a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the National Reimbursement Payments; *provided, however,* that at any time on or after Effective Date, the County shall have the option to prepay the National Reimbursement Payments in whole or in part without premium or penalty, which prepayment option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the National Reimbursement Payments that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date; and

(vi) The County's obligations to National under the Plan (other than with respect to payment of the National Reimbursement Payments, which obligations will bear no interest) will bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

From and after the Effective Date, the GO Insurance Policies and the GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants and the Series 2004-A GO Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the GO Insurance Policies.

(s) **Class 5-E (GO Swap Agreement Claims).**

Class 5-E consists of all GO Swap Agreement Claims. Class 5-E is Impaired under the Plan.

All Claims in Class 5-E will be Allowed on the Effective Date in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-E Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMorgan Chase Bank, N.A. \$10.00.

(t) **Class 6 (General Unsecured Claims).**

Class 6 consists of all General Unsecured Claims. Class 6 is Impaired under the Plan.

Holders of Allowed Class 6 Claims will receive a Pro Rata Distribution from the General Unsecured Claims Pool on the GUC Payment Date.

Notwithstanding the foregoing, on the Effective Date, (i) JPMS will waive and release any and all rights to receive any Distribution under the Plan on account of the JPMorgan Asserted Recourse Indemnification Claims; (ii) the Sewer Warrant Insurers will waive and release any all rights to receive any Distribution under the Plan on account of their respective Asserted Full Recourse Sewer Claims; and (iii) no Distribution will be made under the Plan on account of the Sewer Warrant Trustee's Asserted Recourse Claim. For the avoidance of doubt, no Asserted Full Recourse Sewer Claims shall be allowed under the Plan, and the County reserves all its rights to dispute any Asserted Full Recourse Sewer Claims that are not waived and released under the Plan (including with respect to the allowance, amount, and priority of any such Claims) after the Effective Date.

(u) **Class 7 (Bessemer Lease Claims).**

Class 7 consists of all Bessemer Lease Claims. Class 7 is Impaired under the Plan.

All Claims in Class 7 will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of the Bessemer Lease Claims, the County shall recognize and perform all of its obligations under the Bessemer Stipulation, including with respect to the New Bessemer Lease. The holders of Class 7 Claims will not receive any additional or other Distributions under the Plan beyond those that such holders receive as a result of the County's performance under the Bessemer Stipulation.

(v) **Class 8 (Other Unimpaired Claims).**

Class 8 consists of all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims. Class 8 is not Impaired under the Plan.

Notwithstanding any other term or provision of the Plan, the legal, equitable, and contractual rights of the holders of Class 8 Claims are unaltered by the Plan, and the Plan leaves unaltered the legal, equitable, and contract rights of all Persons with respect to the Other Unimpaired Claims. Without limitation, the County retains all Causes of Action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Other Unimpaired Claims.

(w) **Class 9 (Subordinated Claims).**

Class 9 consists of all Subordinated Claims. Class 9 is Impaired under the Plan.

The holders of Subordinated Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 9 Claims nor will such holders retain any property on account of such Claims, Class 9 is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 9 are not entitled to vote to accept or reject the Plan on account of such Claims.

Section 2.4. Impaired Classes to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each holder of a Claim in an Impaired Class as of the Ballot Record Date shall be entitled to vote to accept or reject the Plan as provided in the Plan Procedures Order, or in any other order or orders of the Bankruptcy Court.

Section 2.5. Classification Controversies.

(a) If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

(b) If the Bankruptcy Court finds that the classification of any Claim other than a Sewer Debt Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan.

(c) If the Bankruptcy Court finds that the classification of any Sewer Debt Claim is improper, then, subject to Section 2.5(d), such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in the Class (which may or may not be a Class presently set forth in Section 2.3) in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan, and the holder of such Claim shall receive the same treatment under the Plan as is presently set forth in the Class from which such Claim was reclassified.

(d) If as a result of the reclassification of any Sewer Debt Claim pursuant to Section 2.5(c), or in connection with any amendment to the Plan or otherwise, the Plan is no longer an "Acceptable Plan" for purposes of any Sewer Plan Support Agreement, then notwithstanding Section 2.5(c), all Ballots cast as required by such Sewer Plan Support Agreement shall be deemed withdrawn, null, and void unless the voting party to the applicable Sewer Plan Support Agreement has reaffirmed its Ballot in writing. Nothing in this Section 2.5 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement.

Section 2.6. No Section 1111(b)(2) Elections.

Pursuant to Bankruptcy Code section 927, the election under Bankruptcy Code section 1111(b)(2) is not available to holders of Special Revenues Claims under the Plan.

Section 2.7. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

Section 2.8. Cramdown.

With respect to any Impaired Class of Claims that fails to accept the Plan, the County requests that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b), subject to any applicable Plan Support Agreement.

ARTICLE III
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 3.1. Assumption of Certain Executory Contracts and Unexpired Leases.

(a) Assumption of Agreements.

On the Effective Date the County shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements.

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.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include 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 executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

The Confirmation Order will constitute a Bankruptcy Court order approving the assumption, on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule of Assumed Agreements.

(b) Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash, within ten (10) Business Days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the County to provide "adequate assurance of future performance" within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the County unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

(c) Objections to Assumption/Cure Payment Amounts.

Any Person that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure

Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served on the County on or before **October 21, 2013**. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by a Person that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any cure and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that the County has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

(d) Resolution of Claims Relating to Assumed Contracts and Leases.

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or postpetition arrearage or other Claim (including any Claim asserted in a Filed proof of Claim or listed on the List of Creditors) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

Section 3.2. Rejection of Executory Contracts and Unexpired Leases.

(a) Rejected Agreements.

On the Effective Date all executory contracts and unexpired leases that the County entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the County and (ii) are not set forth on the Schedule of Assumed Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired leases that have been previously assumed or assumed and assigned pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

(b) Rejection Bar Date.

Any Rejection Damage Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the County by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the County and its property, and Persons holding such Claims will not receive and be barred from receiving any Distributions on account of such untimely Claims.

Section 3.3. Postpetition Contracts and Leases.

Except as expressly provided in the Plan or the Confirmation Order, all executory contracts and unexpired leases that the County has entered into after the Petition Date with due authorization of the County Commission will be assumed and retained by the County and will remain in full force and effect from and after the Effective Date.

ARTICLE IV
MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

Section 4.1. Consent Under Bankruptcy Code Section 904.

Pursuant to and for purposes of Bankruptcy Code section 904, the County consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

Section 4.2. Continued Governance of the County and the Sewer System.

From and after the Effective Date, the County Commission shall continue to govern the County and shall continue to administer, control, manage, and operate the property and enterprises of the County (including the Sewer System) in accordance with the Plan, the County's constituent documents, any applicable indentures or other governing contracts, the Alabama Constitution, applicable statutes of the State of Alabama, the EPA Consent Decree, the Personnel Board Consent Decree, and other applicable laws.

Section 4.3. Application of the Approved Rate Structure.

From and after the Effective Date, the Confirmation Order shall constitute a conclusive finding and determination that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6) and applicable state law, and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County in accordance with the Plan and under all applicable state and federal laws. From and after the Effective Date, 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).

Section 4.4. Retention of Assets Generally.

Except as otherwise expressly provided in the Plan, all assets and properties of the County shall be retained by the County on the Effective Date, free and clear of all Claims, liens, encumbrances, charges, and interests. From and after the Effective Date, the County may conduct its affairs and use, acquire, and dispose of any assets or property without supervision by

the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

Section 4.5. Certain Transactions on the Effective Date.

(a) On the Effective Date the County shall issue the New Sewer Warrants under the New Sewer Warrant Indenture.

(b) On the Effective Date the County shall issue and deliver the Replacement 2001-B GO Warrants under the Amended and Restated GO Warrant Indentures, along with the initial payments required on the Effective Date pursuant to the Replacement 2001-B GO Warrants and Section 2.3(o).

(c) On or before the Effective Date, the County shall pay each Sewer Warrant Insurer an amount equal to each Sewer Warrant Insurer's respective Covered Tail Risk.

(d) On the Effective Date the County shall execute the School Warrant Second Supplemental Indenture.

(e) On the Effective Date, the County shall execute the Reserve Fund LOC Agreements.

Section 4.6. Disposition of the Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, and Refinancing Proceeds.

(a) As a proposed settlement incorporated into the Plan pursuant to Bankruptcy Rule 9019 of any and all Causes of Action and matters raised in or that could have been raised in the Declaratory Judgment Action, and any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or any Causes of Action related to the reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants, (i) on the Effective Date, Cash in amounts equal to the Reinstated Sewer Warrant Principal Payments (without giving effect to any acceleration or any accelerated redemption schedule), the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount shall be distributed by the Sewer Warrant Trustee to the applicable parties from the Accumulated Sewer Revenues, including with respect to the Sewer Warrants held by the Sewer Plan Support Parties; (ii) for purposes of Distributions under the Plan, no payments made during the Case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Sewer Warrant Principal Payments) shall be applied or recharacterized to reduce principal; and (iii) no Distributions shall be made on account of postpetition interest accrued on any Sewer Warrants in excess of pre-default rates or, with respect to Bank Warrants, the Sewer Bank Rate.

(b) On the Effective Date the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to satisfy the Sewer Warrant Trustee

Fee Claims to the extent unpaid but permitted to be paid under the Sewer Warrant Indenture and to reserve an amount equal to the Sewer Warrant Trustee Residual Fee Estimate. Any such application and reserve by the Sewer Warrant Trustee shall fully, finally, and completely satisfy, discharge, and release all Sewer Warrant Trustee Fee Claims. If and only if there is an Unused Covered Tail Risk Amount, the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to establish a reserve for Sewer Wrap Payment Rights Administration Expenses to the extent and in the amount of the Unused Covered Tail Risk Amount, which the Sewer Warrant Trustee may thereafter invest in an interest-bearing account and utilize to satisfy Sewer Wrap Payment Rights Administration Expenses as such expenses become due. The County shall have no obligation to pay, fund (including from Accumulated Sewer Revenues, Sewer Warrant Indenture Funds, or Refinancing Proceeds), or otherwise provide for any Sewer Wrap Payment Rights Administration Expenses beyond the Unused Covered Tail Risk Amount and such interest as may be obtained through the Sewer Warrant Trustee's investment of the reserve established with the Unused Covered Tail Risk Amount. Notwithstanding anything to the contrary in this Section 4.6(b), if the Unused Covered Tail Risk Amount is less than the Sewer Wrap Payment Rights Administration Expenses and if any applicable Sewer Warrant Insurers will not provide a source of payment for the Sewer Wrap Payment Rights Administration Expenses in excess of the Unused Covered Tail Risk Amount on terms acceptable to the Sewer Warrant Trustee, then the Sewer Warrant Trustee shall have no obligation or responsibility to perform any action that would give rise to Sewer Wrap Payment Rights Administration Expenses.

(c) On the Effective Date, the Sewer Warrant Trustee or the County, as the case may be, shall apply the following funds in the following order for purposes of making the Distributions provided under the Plan for holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D:

(1) first, Refinancing Proceeds (including to Persons entitled to Excess Refinancing Proceeds in accordance with Section 4.19), provided that Refinancing Proceeds shall not be used to satisfy any Series 2003-A Sewer Claims or any Class 1-D Claims;

(2) second, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Remaining Accumulated Sewer Revenues; and

(3) third, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Sewer Warrant Indenture Funds remaining after giving effect to the application permitted or required by Section 4.6(b).

(d) On the Effective Date, all Remaining Accumulated Sewer Revenues and Sewer Warrant Indenture Funds remaining after giving effect to the usage permitted or required by Section 4.6(c) shall be applied in accordance with the New Sewer Warrant Indenture.

Section 4.7. Commutation Election Protocols and Effect on the Sewer Insurance Policies.

(a) Presumptions Regarding the Commutation Election.

All holders of Claims in Class 1-A and Class 1-B that (i) do not return any Ballot by the Ballot Deadline, (ii) return a Ballot by the Ballot Deadline but do not make any election with respect to the Commutation Election, or (iii) return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (x) any holders of the Series 2003-B-8 Sewer Warrants that either do not return a Ballot, do not indicate an election on any Ballot that is returned by the Ballot Deadline, or return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election, and (y) any holders of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the Commutation Election will be sent a notice pursuant to the Plan Procedures Order under which such holders will have an opportunity to rescind the deemed Commutation Election and, upon such rescission, shall be deemed not to have made the Commutation Election for all purposes under the Plan and shall have their Series 2003-C-9 Through C-10 Sewer Claims be treated in accordance with Option 2 of Section 2.3(a).

(b) Plan's Effect on the Sewer Insurance Policies.

As a result of the satisfaction and discharge of all Sewer Debt Claims and the cancellation of the Sewer Warrants and the Sewer Warrant Indenture under the Plan, on the Effective Date (i) the Sewer DSRF Policies and the Sewer DSRF Reimbursement Agreements will be cancelled and of no further force or effect; (ii) the Sewer Warrant Trustee will close the "Jefferson County Sewer System Debt Service Reserve Fund" under the Sewer Warrant Indenture and return any surety bonds or other documentation evidencing the Sewer DSRF Policies to the applicable Sewer Warrant Insurer; and (iii) the Sewer Wrap Policies will be cancelled and of no further force or effect except with respect to any Sewer Wrap Payment Rights, and such Sewer Wrap Policies (in the case of FGIC, as modified by any plan of rehabilitation) shall remain in full force and effect with respect to such Sewer Wrap Payment Rights.

Section 4.8. Compromise and Settlement of All Sewer Debt-Related Issues.

(a) Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, in consideration of the settlement and release of all Sewer Released Claims and the treatment and consideration provided under the Plan for Allowed Class 1-A, Class 1-B, Class 1-C, and Class 1-D Claims, the Plan incorporates and is expressly conditioned upon the approval and effectiveness of a comprehensive compromise and settlement by and among the County and the Sewer Plan Support Parties of numerous issues and disputes related to the Sewer System, the Sewer Released Claims, and the allowance and treatment of the Sewer Debt Claims. As of the Effective Date, the Plan accordingly represents a full, final, and complete compromise, settlement, release, and resolution of, among other matters, disputes and pending or potential litigation (including any appeals) regarding the following: (i) the allowability, amount, priority, and treatment of the Sewer Debt Claims; (ii) the validity or

enforceability of the Sewer Warrants; (iii) the valuation of the Sewer System and of the stream of net sewer revenues pledged under the Sewer Warrant Indenture; (iv) the appropriate rates that have been or can be charged to users of the Sewer System; (v) any Causes of Action or Avoidance Actions that the County has asserted or could potentially assert against the JPMorgan Parties or against other of the Sewer Plan Support Parties, including any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vi) the Sewer Released Claims that (A) some of the Sewer Plan Support Parties have asserted or (B) the Sewer Plan Support Parties could potentially assert against other Sewer Plan Support Parties, including, in each case, any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vii) how the Sewer Warrant Trustee has applied revenues of the Sewer System to payment of certain Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants; (viii) the various issues raised by the Declaratory Judgment Action; (ix) the scope and extent of any liens or other property rights under the Sewer Warrant Indenture; (x) whether, and the extent to which, the County may recover from Sewer System revenues amounts actually incurred or previously paid by the County on account of professional fees prior to and during the Case; (xi) the allowance and amount of any Bank Warrant Default Interest Claims; (xii) the priority of the LBSF Periodic Payment Claim, the various issues raised by the LBSF Periodic Payment Claim, and the Sewer Warrant Trustee's treatment of and obligations with respect to that Claim; (xiii) the various issues raised by the Receivership Actions; and (xiv) other historical and potential issues associated with the Sewer System and its financing.

(b) This comprehensive compromise and settlement will be binding on the County, on all Persons who have asserted or could assert any potential Causes of Action or Avoidance Actions for or on behalf of the County in any fashion, including derivatively or directly, and on all Creditors concerning the Sewer Released Claims compromised and settled under the Plan (including as described in Section 4.8(a)) in any pending or potential litigation (including any appeals) before any court or agency. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of disputed Sewer Released Claims inextricably bound with the Plan. As such, the approval and consummation of the Plan will conclusively bind all Creditors and other parties in interest, and the releases and settlements effected under the Plan will be operative as of the Effective Date and subject to enforcement by the Bankruptcy Court from and after the Effective Date, including pursuant to the injunctive provisions of Sections 6.2 and 6.3.

(c) In order to give effect to this comprehensive compromise and settlement, (i) any adversary proceedings or contested matters involving Sewer Released Claims shall be dismissed effective as of the Effective Date; and (ii) in connection with the occurrence of the Effective Date, each of the County, the Sewer Plan Support Parties, and the Sewer Warrant Trustee (as applicable) shall file in other appropriate courts stipulations of dismissal among the applicable parties or motions to dismiss any pending litigation (including any appeals) commenced by the County, any of the Sewer Plan Support Parties, or the Sewer Warrant Trustee against the County

or any of the Sewer Plan Support Parties with prejudice, with such dismissals to be effective on and contingent upon the occurrence of the Effective Date.

Section 4.9. JPMorgan Reallocation of Distributions and Consideration Provided by the Sewer Warrant Insurers.

(a) The Sewer Warrant Claims and Bank Warrant Claims held by the JPMorgan Parties shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants held by the JPMorgan Parties and (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to such Sewer Warrants, and shall be classified in Class 1-A and Class 1-B, respectively. Notwithstanding the general treatment afforded to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, as part of the global settlement among the County, the JPMorgan Parties, and the other Sewer Plan Support Parties to be implemented pursuant to the Plan pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, and in consideration of the settlement and release of all Sewer Released Claims against the JPMorgan Parties as provided herein, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein, to make the Commutation Election with respect to all Sewer Warrants held by the JPMorgan Parties (but without receiving the higher recovery being made available to all other holders of Sewer Warrants that make or are deemed to make the Commutation Election), to provide the Reserve Fund LOC, and to reallocate to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims a substantial portion of the JPMorgan Parties' Pro Rata share of the Distribution made to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, thereby increasing the recovery received by all other holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims and reducing the amount of Sewer System indebtedness following the County's emergence from chapter 9. As a result of such reallocation by the JPMorgan Parties and the contributions by the Sewer Warrant Insurers detailed below, each holder of an Allowed Class 1-A Claim or an Allowed Class 1-B Claim (other than the JPMorgan Parties) will receive, in full settlement, satisfaction, release, and exchange of such holder's Claims, a Distribution of Cash from Refinancing Proceeds and other sources of Cash in one of the two amounts specified in Option 1 and Option 2 of Sections 2.3(a) and 2.3(b). Such Distribution is higher than such holders' Pro Rata share of the Distribution made to all holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims; and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims. The sources of the incremental recovery to those holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties; and (ii) consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims

against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election on account of such Claims. The source of the Non-Commutation True-Up Amount and the Covered Tail Risk to be paid to the Sewer Warrant Insurers pursuant to Section 2.3(c) shall also be from the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties.

(b) Based upon the agreements of the Supporting Sewer Warrantholders set forth in Section 5 of the Supporting Sewer Warrantholder Plan Support Agreement, which agreement was reached in order to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, to reallocate and distribute to each Supporting Sewer Warrantholder a portion of the JPMorgan Parties' Cash recovery under the Plan after giving effect to the reallocations described in Section 4.9(a) above in an amount (such amount so reallocated and distributed, the "Supporting Sewer Warrantholder Directed Distribution") equal to (i) the principal amount of Eligible Sewer Warrants held by such Supporting Sewer Warrantholder as of the Distribution Record Date, multiplied by (ii) 3.00%; *provided, however*, that the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement on the date of execution thereof, and the aggregate amount of the Supporting Sewer Warrantholder Directed Distribution shall not exceed the product of the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement multiplied by 3.00%. Subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, on or before the Effective Date, the JPMorgan Parties shall provide irrevocable directions to the County and the Sewer Warrant Trustee to reallocate and Distribute to each Supporting Sewer Warrantholder, instead of to the JPMorgan Parties, such Supporting Sewer Warrantholder's Pro Rata share of the Supporting Sewer Warrantholder Directed Distribution.

(c) Accordingly, without giving effect to the Reserve Fund LOC and after giving effect to the reallocations described in Section 4.9(a) and the Supporting Sewer Warrantholder Directed Distribution, but subject to the potential receipt of Excess Refinancing Proceeds pursuant to Section 4.19, the JPMorgan Parties shall receive, on the Effective Date, Cash in the amount of \$273 million, which is approximately 22% of the Adjusted Sewer Warrant Principal Amount of Sewer Warrants held by the JPMorgan Parties (approximately \$1.218 billion), plus a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a) in full, final, and complete settlement, satisfaction, release, and discharge of all Sewer Debt Claims and Sewer Released Claims held by the JPMorgan Parties. After giving effect to the concessions by the JPMorgan Parties and the Sewer Warrant Insurers described above and the settlements and releases to be implemented pursuant to the Plan, the Sewer Debt Claims held by the JPMorgan Parties and the Sewer Warrant Insurers shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Section 4.10. Cancellation of Warrants and Other Documents.

(a) On the Effective Date, except to the extent otherwise expressly provided in the Plan, all agreements, certificates, indentures, instruments, notes, resolutions, warrants, and other documents evidencing indebtedness of the County, and all liens, mortgages, pledges, grants, trusts, and other interests relating thereto, shall be automatically cancelled, and all obligations of the County thereunder or in any way related thereto shall be discharged. Without limitation and in addition to the provisions of Section 4.7(b), on the Effective Date (i) the Sewer Warrants will be discharged and cancelled, provided that such discharge and cancellation shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights; (ii) the Sewer Warrant Indenture will be cancelled and of no further force or effect other than for purposes of allowing the Sewer Warrant Trustee to calculate and make Distributions in accordance with the Plan, to seek and obtain dismissals of the Receivership Actions and other applicable pending litigation, and, if applicable, to pursue and administer the Sewer Wrap Payment Rights after the Effective Date (which, for the avoidance of doubt, will impose no cost or expense on the County beyond any Unused Covered Tail Risk Amount); (iii) the Sewer Swap Agreements will be cancelled and of no further force or effect; (iv) the Standby Sewer Warrant Purchase Agreements will be cancelled and of no further force or effect; (v) the Standby GO Warrant Purchase Agreement will be cancelled and of no further force or effect; (vi) the GO Warrant Indenture will be superseded in all respects by the Amended and Restated GO Warrant Indentures; (vii) the Series 2001-B GO Warrants will be cancelled and superseded in all respects by the Replacement 2001-B GO Warrants; and (viii) the GO Swap Agreement will be cancelled and of no further force or effect. From and after the Effective Date, all Plan Support Agreements will be terminated and superseded in all respects by the Plan, except with respect to any provisions that specifically survive termination of the Plan Support Agreements in accordance with their respective terms.

(b) For the avoidance of doubt, the Plan will not cancel or otherwise alter any of the following documents or instruments except to the extent otherwise expressly provided in the Plan: (i) the Board of Education Lease Indenture, (ii) the Board of Education Lease Policy, (iii) the Board of Education Lease Warrants, (iv) the GO Insurance Policies, (v) the GO Resolutions, (vi) the New Bessemer Lease, (vii) the School Insurance Policies, (viii) the School Warrant Indenture, (ix) the School Warrants, (x) the Series 2003-A GO Warrants, (xi) the Series 2004-A GO Warrants, and (xii) the Standby School Warrant Purchase Agreement.

Section 4.11. Termination of Receiver and Dismissal of Receivership Actions.

As a result of the satisfaction and discharge of all Sewer Debt Claims, as well as the cancellation of the Sewer Warrants, the Sewer Warrant Indenture, and the Sewer Insurance Policies (as applicable) under the Plan, from and after the Effective Date, the Receiver's status as receiver of the Sewer System will be terminated and of no further force or effect. On or as soon as reasonably practicable after the Effective Date, the Sewer Warrant Trustee shall pay all of the Receiver's unpaid reasonable fees (including fees of its counsel and experts) and expenses from the Sewer Warrant Indenture Funds and shall dismiss (or obtain any court orders as are necessary to dismiss) each of the Receivership Actions in their entirety and with prejudice.

Section 4.12. Vesting of Preserved Claims.

All Preserved Claims shall be preserved and shall vest in the County on the Effective Date, but only to the extent not expressly released pursuant to the Plan, the Confirmation Order, or any other order of the Bankruptcy Court. From and after the Effective Date, the County shall retain its exclusive right, power, and duty to administer the collection, prosecution, enforcement, settlement, or abandonment of the Preserved Claims in the County's sole and absolute discretion.

Section 4.13. Exemption from Securities Law.

(a) The issuance of the Replacement 2001-B GO Warrants and the New Sewer Warrants are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and all rules and regulations promulgated thereunder. In general, securities issued by the County, such as general obligation warrants and sewer revenue warrants, are exempt from registration under section 3(a)(2) of the 1933 Act. Obligations issued by the County likewise are exempt from registration under current Alabama securities law. These exemptions from registration apply to the New Sewer Warrants and the Replacement 2001-B GO Warrants.

(b) The New Sewer Warrants (other than the Reserve Fund Reimbursement Warrants) will be publically offered. Therefore, the County intends to rely on generally applicable securities law exemptions for the offering and sale of the New Sewer Warrants, provided that the County does not expect to offer the New Sewer Warrants in states in which registration of County securities may be required by applicable state securities law, unless first registered or otherwise qualified for sale in such jurisdiction. The Replacement 2001-B GO Warrants will not be publically offered but instead will be issued to the GO Banks pursuant to the Plan. The Replacement 2001-B GO Warrants will also be exempt from registration under federal or state securities law to the maximum extent provided under Bankruptcy Code section 1145.

(c) Like the exemption from registration provided to the County under section 3(a)(2) of the 1933 Act, generally applicable securities laws provide an exemption from qualification for certain trust indentures entered into by government entities. The New Sewer Warrant Indenture and the Amended and Restated GO Warrant Indentures are each exempt from qualification under section 304(a)(4) of the Trust Indenture Act of 1939.

(d) Nothing in the Plan or the Confirmation Order, including Articles 5 and 6 of the Plan, is intended (i) to preclude the Securities and Exchange Commission from performing its statutory duties, including pursuing any causes of action (including those asserted in the case of *SEC v. Charles LeCroy, et al.*, Case No. 2:09-cv-02238 (N.D. Ala.)), regarding any Person in any forum with proper jurisdiction; or (ii) without limiting the discharge of the County under the Bankruptcy Code, to excuse any Person from being subject to any action brought by the Securities and Exchange Commission on account of such Person's non-compliance with applicable securities law.

Section 4.14. Objections to Claims.

(a) County's Exclusive Right to Object.

The County shall have the right to object to the allowance of Claims as to which liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). Except as otherwise provided herein, the County's rights to object to, oppose, and defend against all Claims on any basis are fully preserved. Unless otherwise ordered by the Bankruptcy Court, the County shall file and serve any such objections on or before the Claims Objection Deadline. After the Effective Date, the County shall have the sole right and authority to control and effectuate the Claims reconciliation process, including to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) Distributions Following Allowance.

At such time as a Contingent Claim, a Disputed Claim, or an Unliquidated Claim becomes an Allowed Claim, in whole or in part, including pursuant to the Plan, the County or its agent shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions, if any, shall be made as soon as practicable after the date on which the order or judgment allowing such Claim becomes a Final Order (or such other date on which the Claim becomes an Allowed Claim, including pursuant to the Plan). Unless otherwise specifically provided in the Plan or allowed by a Final Order of the Bankruptcy Court, no interest shall be paid on Contingent Claims, Disputed Claims, or Unliquidated Claims that later become Allowed Claims.

Section 4.15. Distributions Under the Plan.

Unless otherwise provided in the Plan, the following procedures apply to Distributions.

(a) Responsibility for Making Distributions.

The County or its designated agents, including the Indenture Trustees and the GO Paying Agents under Section 4.15(e)(iv), shall be responsible for distributing all Distributions made to them for the benefit of the holders of the respective underlying warrants and Claims as required under the Plan and, unless otherwise specified in the Plan, pursuant to the applicable operative documents. To the extent applicable, the County or its designated agents shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit with respect to such Distributions, and all Distributions shall be subject to such withholding and reporting requirements.

(b) No De Minimis Distributions.

Notwithstanding anything to the contrary in the Plan, with the exception of Distributions on account of Class 1-D Claims and Class 5-E Claims, no Cash payment of less than fifty dollars (\$50.00) will be made to any Person; *provided, however*, that solely with respect to Distributions from the General Unsecured Claims Pool, if the right to payment of a holder of an Allowed Class 6 Claim does not exceed fifty dollars (\$50.00) on the GUC Payment Date, then such holder will

receive a Cash payment in an amount equal to such holder's entitlement. No consideration will be provided in lieu of the *de minimis* Distributions that are not made pursuant to this Section 4.15(b), and the County shall be authorized and empowered to retain such *de minimis* amounts for its own benefit.

(c) **No Distributions With Respect to Certain Claims.**

Notwithstanding anything to the contrary in the Plan, no Distributions or other consideration of any kind shall be made on account of any Contingent Claim, Disputed Claim, or Unliquidated Claim unless and until such Claim becomes an Allowed Claim, or is deemed to be such for purposes of distribution, and then only to the extent that such Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim.

(d) **Distributions to Holders as of the Distribution Record Date.**

(i) **General Principles.**

At the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holder of any Claim. The County or any other Person responsible for making Distributions shall have no obligation to recognize any transfer of any Claim occurring or purportedly occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Distribution Record Date.

(ii) **Specific Exceptions.**

The general principles set forth in Section 4.15(d)(i) will not apply to Claims arising from the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants (other than any GO Policy Claims), or the Series 2004-A GO Warrants (other than any GO Policy Claims). Subject in all cases to the treatment provided under the Plan, nothing in the Plan will limit the rights of a holder of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants to assign, sell, pledge, hypothecate, or otherwise transfer its warrants to the extent permitted by such warrants, any other applicable operative agreements, and applicable nonbankruptcy law. Subject to the terms of the applicable operative agreements and any requirements under applicable nonbankruptcy law, the County and any applicable Indenture Trustee or GO Paying Agent shall recognize and give effect to assignments, sales, pledges, hypothecations, or other transfers of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants regardless whether such assignments, sales, pledges, hypothecations, or other transfers were made or settled before, on, or after the Distribution Record Date.

(e) **Delivery of Distributions; Undeliverable/Unclaimed Distributions.**

(i) **Delivery of Distributions in General.**

The County or its designated agents shall make Distributions to each holder of an Allowed Claim as follows: (A) by mail at the address set forth on the proof of Claim Filed by

such holder in respect of such Allowed Claim, unless such holder has provided written notice of address change to the County; (B) by mail at the address set forth in the most recent written notice of address change delivered to the County after the date of any related proof of Claim; (C) by mail at the address reflected in the List of Creditors if no proof of Claim is filed and the County has not received a written notice of a change of address; or (D) through the facilities of DTC for the benefit of the holders of Allowed Sewer Debt Claims. Notwithstanding the foregoing, the County shall make Distributions on account of Allowed Class 1-C Claims directly to holders of Class 1-C Claims pursuant to directions provided to the County by the Sewer Warrant Insurers, and the County and Sewer Warrant Insurers shall provide such information as is necessary in order to prevent the Sewer Warrant Trustee or DTC from making any additional or other Distributions on account of any Allowed Class 1-C Claims.

(ii) Undeliverable and Unclaimed Distributions.

If the County tenders an Undeliverable Distribution, the issuing entity may cancel the distribution check and need not re-attempt delivery, unless the County timely receives notification of the holder's new address before the deadlines described below. If the County tenders an Unclaimed Distribution, the issuer may cancel the distribution check, and need not attempt redelivery, except as otherwise provided herein.

The County shall reserve the funds with respect to all Undeliverable Distributions and Unclaimed Distributions for one (1) year following the Effective Date. If the County does not receive prior to that date a written request from the holder of the applicable Allowed Claim asserting entitlement to an Undeliverable Distribution or Unclaimed Distribution and providing a current address, then the County shall be authorized and empowered to retain such funds for its own benefit.

Any holder of an Allowed Claim that does not assert in writing its entitlement to an Undeliverable Distribution or Unclaimed Distribution, by the applicable dates set forth in the foregoing paragraphs, no longer shall have any interest in or be entitled to such undelivered or unclaimed Distribution and shall be barred forever from receiving any Distributions under the Plan, or from asserting a Claim against the County or its property, and the right to such undeliverable or unclaimed Distribution will be discharged.

For the avoidance of doubt, the foregoing provisions regarding Undeliverable Distributions or Unclaimed Distributions will not apply to Distributions made on account of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D.

Nothing contained in the Plan shall require the County or its designated agents to attempt to locate any holder of an Allowed Claim.

(iii) Estimation of Certain Claims for Distribution Purposes.

The County may move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim. The estimated amount of any Claim so determined by the Bankruptcy Court shall constitute the maximum recovery that the holder thereof may recover after the ultimate liquidation of its Claim, irrespective of the actual amount that is ultimately Allowed.

(iv) Certain Distributions to be Made to the Indenture Trustees or the GO Paying Agents.

(A) Sewer Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Sewer Warrant Claims, Bank Warrant Claims, and Primary Standby Sewer Warrant Claims shall be made by the County in aggregate, lump-sum payments to the Sewer Warrant Trustee, and will in turn be distributed by the Sewer Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts (all of which will be deemed satisfied pursuant to Section 4.6(b)).

(B) GO Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Series 2001-B GO Claims and Standby GO Warrant Claims shall be made by the County in aggregate, lump-sum payments to the GO Warrant Trustee, and will in turn be distributed by the GO Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts.

(C) Other Indenture Trustees and Paying Agents.

With respect to all preexisting warrants that will remain outstanding under the Plan (i.e., the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants), the County will make post-Effective Date payments on account of such warrants to the applicable Indenture Trustee or GO Paying Agent, which Indenture Trustee or Paying Agent shall thereafter distribute such payments to holders of such warrants in accordance with the applicable operative agreements.

(v) Surrender of Instruments.

On the Effective Date, each holder of a certificated instrument, warrant, or note that (A) gives rise to any Sewer Debt Claims or (B) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. On the Effective Date, each holder of a global certificated instrument, warrant, or note that is held pursuant to the book-entry system operated by DTC and that (X) gives rise to any Sewer Debt Claims or (Y) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee in accordance with the Rules and Operational Arrangements of DTC, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. Upon issuance and delivery of the New Sewer Warrants and completion of Distributions required under the Plan, the Sewer Warrant Trustee shall cancel all outstanding Sewer Warrants on the

records of DTC and destroy all associated original physical certificates, provided that such cancellation and destruction shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights. Upon issuance and delivery of the Replacement 2001-B GO Warrants, the GO Warrant Trustee shall cancel all outstanding Series 2001-B GO Warrants on the records of DTC and destroy all associated original physical certificates.

(f) **Full, Final, and Complete Settlement and Satisfaction.**

The Distributions and other treatment provided under the Plan for each holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such holder's Claims against the County, against the County's property, or any Claims released under the Plan.

(g) **Limitations on Distributions Payable to Persons Liable to County.**

No Distribution will be made on account of any Claim of any Person against which the County has any affirmative Causes of Action (excluding all GO Released Claims and all Sewer Released Claims), and such Person's Claim shall be deemed to be a Disallowed Claim pursuant to the Plan, unless and until such time as all Causes of Action (excluding all GO Released Claims and all Sewer Released Claims) against that Person have been settled or resolved by a Final Order and such Person has paid the entire amount for which such Person is liable to the County.

(h) **Deemed Acceleration of the Sewer Warrants.**

For all purposes, including Distributions under the Plan, all series and subseries of the Sewer Warrants shall be deemed accelerated, as of the Effective Date, after payment of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, which acceleration shall occur immediately and before any other Distribution of consideration on the Effective Date; *provided, however*, that such acceleration will not be deemed to release any of the Sewer Wrap Policies with respect to Sewer Wrap Payment Rights except as a result of any Sewer Warrant Insurer's payment of the Outstanding Amount on the applicable series or subseries of non-commuted Sewer Warrants as set forth in the last sentence of this paragraph. With respect to any series or subseries of Sewer Warrants as to which the Commutation Election is not made or deemed not to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to pay the Outstanding Amount on such series or subseries of Sewer Warrants, the Sewer Warrant Trustee shall be deemed as of the Effective Date or, if later, as of the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries of Sewer Warrants, to have submitted a draw request under each applicable Sewer Wrap Policy in respect of the Outstanding Amount on such non-commuted series or subseries of Sewer Warrants, and each such Sewer Warrant Insurer shall be entitled (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to treat the Outstanding Amount as "Due for Payment" (as such term is defined in the applicable Sewer Wrap Policy and for purposes of such Sewer Wrap Policy) as of the Effective Date or as of such later date on which the applicable Sewer Warrant

Insurer elects to pay such Outstanding Amount. Payment, as provided in the applicable Sewer Wrap Policy, of the Outstanding Amount on any series or subseries of non-commuted Sewer Warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable Sewer Wrap Policy and to fully release all Sewer Wrap Payment Rights with respect to such Sewer Warrants.

Section 4.16. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the County, the County may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Causes of Action of any nature whatsoever that the County may have against the claimant and that is not a GO Released Claim or a Sewer Released Claim. If the County elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the County's setoff or recoupment; *provided, however*, that the claimant will be provided with written notice of the proposed setoff or recoupment at least ten (10) Business Days prior thereto, and, if the claimant files a written objection to such proposed setoff or recoupment, the County shall not proceed with the setoff or recoupment absent the withdrawal of the claimant's objection or the entry of an order overruling the objection, but the County may in all events withhold any Distributions on account of such Claim pending resolution of the claimant's objection; *provided further, however*, that neither the failure to setoff against or recoup from any Claim nor the allowance of any Claim shall constitute a waiver or release by the County of any Causes of Action the County may have against the subject claimant.

Section 4.17. Motion Under Bankruptcy Code Section 364.

The Plan constitutes a motion by the County seeking the Bankruptcy Court's approval of the incurrence of all indebtedness, extensions of credit, and grants of liens necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of New Sewer Warrants under the Plan, the incurrence of any underwriting or other transaction fees to be paid at closing, the provision of the New Sewer Wrap Policy, and the delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements. Confirmation of the Plan shall constitute a conclusive determination that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness, extensions of credit, and grants of liens to the maximum extent permitted by law. Confirmation of the Plan shall also constitute a conclusive determination that all such indebtedness, extensions of credit, and grants of liens were extended and incurred in good faith and in compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law. As such, upon the occurrence of the Effective Date, the participants in the offering of New Sewer Warrants under the Plan, the Persons receiving any underwriting or other transaction fees to be paid at closing, and those Persons providing the New Sewer Wrap Policy and the Reserve Fund LOC will be, in each case, entitled to the full protections and rights afforded by Bankruptcy Code section 364(e) with respect to such transactions.

Section 4.18. The Effective Date.

The Plan shall not become binding unless and until the Effective Date occurs. The Effective Date will be a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which all of the following conditions have been satisfied as set forth below, or waived as set forth in Section 4.18(b). Unless waived pursuant to Section 4.18(b), the Effective Date of the Plan shall not occur until each of the following conditions precedent has occurred or will occur simultaneously with the Effective Date of the Plan.

(a) Conditions to the Effective Date.

(i) The Confirmation Order shall (A) be entered and in full force and effect in form and substance acceptable to (1) the County, (2) the Sewer Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable Sewer Plan Support Party, and (3) the GO Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable GO Plan Support Party; and (B) not be subject to any stay;

(ii) The County shall have entered into the Closing Agreement; *provided, however*, that if any settlement payment is required to be made to the Internal Revenue Service, such payment shall be payable exclusively from Accumulated Sewer Revenues or gross Sewer System revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate consideration to be paid to holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, or any other payments described herein to be paid to the Sewer Plan Support Parties;

(iii) The aggregate Tail Risk and the aggregate Covered Tail Risk shall each not exceed \$25.0 million;

(iv) No Sewer Warrant Insurer will be subject to any Tail Risk on or after the Effective Date in an amount in excess of its Covered Tail Risk;

(v) The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate Refinancing Proceeds and other Cash consideration required to make the payments to (A) holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims shall be available and shall have been paid under the Plan to the Sewer Warrant Trustee for Distribution in accordance with the Plan on the Effective Date; and (B) holders of Allowed Class 1-C Claims (including the Sewer Warrant Insurers Outlay Amount) shall be available and shall have been paid under the Plan to the applicable Sewer Warrant Insurer in accordance with the Plan and the Sewer Warrant Insurers Agreements on the Effective Date;

(vi) The Sewer Plan Support Agreements and the Sewer Warrant Insurers Agreements shall be in full force and effect and any and all payments (A) required under (the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer (or are paid

simultaneously with the other payments to the Sewer Warrant Insurers required under the Plan); and (B) on account of Covered Tail Risk shall have been paid in full in Cash;

(vii) All of the settlements, releases, and injunctions contemplated by the Plan (including the settlement and release under the Plan of the Causes of Action asserted in the Bennett Action and the Wilson Action) shall have been approved pursuant to the Confirmation Order, and any pending litigation (including any appeals) commenced by the County or any of the Sewer Plan Support Parties against any of the Sewer Plan Support Parties shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice;

(viii) The Effective Date shall have occurred on or before December 31, 2013;

(ix) The Plan (as confirmed by the Confirmation Order), the Plan Supplement, and all other documents, instruments, agreements, writings, and undertakings required under the Plan (A) shall be in form and substance satisfactory to the County (and, to the extent required by any applicable Plan Support Agreement or the Plan, approved by the applicable Plan Support Party or Parties); (B) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and (C) and, to the extent required by any applicable Plan Support Agreement or the Plan, shall be (or simultaneously with the occurrence of the Effective Date will be) effective;

(x) The Supporting Sewer Warrantholder Directed Distribution shall have been approved pursuant to the Confirmation Order and paid to the Supporting Sewer Warranholders;

(xi) Assured shall have issued the New Sewer Wrap Policy and JPMorgan Chase Bank, N.A. shall have delivered the Reserve Fund LOC;

(xii) All Excess Refinancing Proceeds, if any, shall have been paid to the Persons entitled to such Excess Refinancing Proceeds in accordance with Section 4.19 on the Effective Date; and

(xiii) The County, the Sewer Liquidity Banks, the Sewer Warrant Insurers, the Supporting Sewer Warranholders, and the JPMorgan Parties shall have each acknowledged in writing (which writing may take the form of an email exchange among their respective counsel) that all conditions to the Effective Date have been satisfied or waived (or will be satisfied or waived simultaneously with the occurrence of the Effective Date).

(b) Waiver of Conditions.

The requirement that the conditions to the occurrence of the Effective Date be satisfied may be waived in whole or in part by mutual written agreement by (i) the County and each Sewer Plan Support Party (or, in the case of the Supporting Sewer Warranholders, the "Majority Eligible Warranholders" as defined in the Supporting Sewer Warrantholder Plan Support Agreement if such waiver may be effected by the Majority Eligible Warranholders under the Supporting Sewer Warrantholder Plan Support Agreement) that is affected by the subject condition; or (ii) the County and each GO Plan Support Party that is affected by the subject condition, solely with respect to conditions (i), (vii), and (ix). Any such waiver may be effected

at any time, without advance notice, leave, or order of the Bankruptcy Court and without any formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

(c) **Effect of Failure of Conditions.**

In the event that the conditions to the occurrence of the Effective Date have not been timely satisfied or waived pursuant to Section 4.18(b), and upon notification Filed by the County with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the County and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee will be restored to their rights as if the Plan, the Plan Support Agreements, any Plan Term Sheets referenced therein, and the Sewer Warrant Insurers Agreements were never entered into, and all claims and defenses of the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee shall be fully reserved; (v) any and all Ballots with respect to the Plan delivered by each of the Plan Support Parties shall be immediately withdrawn, and such Ballots shall be null and void for all purposes and shall not be considered or otherwise used in any manner; and (vi) all of the County's obligations with respect to Claims shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the County or any other Person or to prejudice in any manner the rights, claims, or defenses of the County or any other Person in any further proceedings involving the County. Nothing in the foregoing sentence shall alter or limit any Person's rights under any Plan Support Agreement.

(d) **Notice of the Effective Date.**

Promptly after the occurrence of the Effective Date, the County or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Damage Claims; (iv) the deadline established under the Plan for the filing of Administrative Claims; and (v) such other matters as the County finds appropriate.

Section 4.19. Recoupment of Excess November 2013 Sewer Creditor Concessions.

On the Effective Date, all Excess Refinancing Proceeds shall be applied in the following order for purposes of making Distributions to the specified parties:

- (a) an amount equal to 100% of the Excess Refinancing Proceeds – First Tranche shall be paid to the JPMorgan Parties;
- (b) (i) an amount equal to 50% of the Excess Refinancing Proceeds – Second Tranche shall be paid to the JPMorgan Parties; (ii) an amount equal to 11.666% of the Excess Refinancing Proceeds – Second Tranche shall be paid to FGIC; (iii) an amount equal to 11.457% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Assured; (iv) an amount equal to 10.207% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Syncora; (v) an amount equal to 14.42% of the Excess Refinancing Proceeds – Second Tranche

shall be paid Pro Rata to the Supporting Sewer Warrantholders; and (vi) an amount equal to 2.25% of the Excess Refinancing Proceeds – Second Tranche shall be paid Pro Rata to the Sewer Liquidity Banks; and

(c) an amount equal to 100% of the Excess Refinancing Proceeds – Third Tranche shall be paid to the JPMorgan Parties.

ARTICLE V

OTHER PLAN PROVISIONS

Section 5.1. Exculpation of GO Released Parties, Sewer Released Parties, and the School Warrant Trustee Regarding the Bankruptcy and Plan Process.

To the maximum extent permitted by law, neither the GO Released Parties, nor the Sewer Released Parties, nor the School Warrant Trustee, nor any of their respective Related Parties shall have or incur any liability to any Person, including any holders of GO Warrants, Sewer Warrants, or School Warrants, for any act or omission occurring on or before the Effective Date in connection with, related to, or arising out of the Case, the Plan Support Agreements, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan or any compromises or settlements contained herein, the Disclosure Statement, or any contract, instrument, release, or other agreement or document provided or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however*, that the foregoing provisions shall not affect the liability of any Person that otherwise would result from any such act or omission occurring on or prior to the Effective Date to the extent that such act or omission is determined in a Final Order to have constituted willful misconduct or fraud. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court conclusively will be deemed not to constitute willful misconduct or fraud unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the GO Released Parties, the Sewer Released Parties, the School Warrant Trustee, and their respective Related Parties shall be entitled to rely on the advice of their respective counsel with respect to their duties and responsibilities in connection with the Case and the Plan.

Section 5.2. Revocation of the Plan; No Admissions.

Subject to each of the Sewer Plan Support Agreements, the County reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. Notwithstanding anything to the contrary in the Plan, if the Plan is not confirmed or if the Effective Date does not occur, the Plan (and the Confirmation Order, if entered) will be null and void and inadmissible as evidence in any proceeding, and nothing contained in the Plan, the Disclosure Statement, or the Confirmation Order (if entered) will (a) be an admission by the County, any of the Plan Support Parties, the Sewer Warrant Trustee, or the School Warrant Trustee with respect to any matter set forth therein, including liability on any Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgment, or release of any Claims against the County or its property, or of any Causes of Action; or (c) prejudice in any manner the rights of any Person in any further proceedings. Nothing in this Section 5.2 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement. In addition, nothing in the Plan,

the comprehensive compromise and settlement described in Section 4.8(a), or any other compromises and settlements implemented under the Plan shall be deemed to be an admission or evidence of wrongdoing or, except with respect to obligations created under or pursuant to the Plan, liability on the part of any GO Released Party, any Sewer Released Party, or any of their respective Related Parties.

Section 5.3. Modification of the Plan.

Subject to the restrictions set forth in Bankruptcy Code section 942 and in each of the Sewer Plan Support Agreements, the County reserves the right to alter, amend, or modify the Plan at any time before the Confirmation Date.

Section 5.4. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. All rights of each Plan Support Party under the applicable Plan Support Agreement are fully reserved if any such holding, alteration, or interpretation means that the Plan is no longer an "Acceptable Plan" for purposes of the applicable Plan Support Agreement. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section 5.4, is valid and enforceable under its terms.

Section 5.5. Inconsistencies.

To the extent of any inconsistencies between the Plan, on the one hand, and the Disclosure Statement, any Plan Support Agreement, or any Ballot, on the other hand, the terms and provisions contained in the Plan shall govern.

Section 5.6. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, instruments, and documents executed in connection with the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama without giving effect to the principles of conflict of laws thereof.

Section 5.7. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

Section 5.8. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the County, all the Plan Support Parties, the Sewer Warrant Trustee, the School Warrant Trustee, the FGIC Rehabilitator, and all their respective Related Parties have acted in good faith in connection therewith.

Section 5.9. Effectuating Documents and Further Transactions.

Each of the officials and employees of the County is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

Section 5.10. Validation of the New Sewer Warrants.

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 substantially as follows:

The New Sewer Warrants were authorized and will be issued as of the Effective Date as a means of implementing the Plan and providing for the satisfaction of Sewer Debt Claims in accordance with the Bankruptcy Code.

The County has the authority under the constitution and laws of the State of Alabama and the Plan to adopt the Rate Resolution, to execute, deliver and perform its obligations under the New Sewer Warrant Indenture, and to issue, execute, and deliver the New Sewer Warrants pursuant to the Plan.

All actions and things required under the provisions of applicable law to be had and done in this proceeding preliminary to the entry of this Confirmation Order have been had and done in the manner provided by law. This Confirmation Order will be forever conclusive against, among others, the County and all taxpayers and citizens of the County.

The indebtedness evidenced and ordered paid by the New Sewer Warrants shall be a limited obligation of the County, payable solely from the System Revenues derived from the operation of the Sewer System. The general faith and credit of

the County shall not be pledged to the payment of the principal of or the interest or premium (if any) on the New Sewer Warrants, and the New Sewer Warrants shall not be general obligations of the County.

The New Sewer Warrants shall not constitute a debt or indebtedness of the County under the provisions of Section 224 of the Constitution of the State of Alabama, as amended, because the principal of and interest on the New Sewer Warrants will be payable solely from the System Revenues derived from the operation of the Sewer System, and will not be a charge on the general credit of the County.

The Bankruptcy Court does hereby validate and confirm all proceedings had and taken in connection with the following (i) the Plan; (ii) all covenants, agreements, provisions, and obligations of the County set forth in the Plan; (iii) the Rate Resolution; (iv) all covenants, agreements, provisions, and obligations of the County set forth in the New Sewer Warrant Indenture; and (v) the New Sewer Warrants and the provisions made to pay and secure payment of such obligations. When the New Sewer Warrants have been executed and delivered in accordance with the Plan, then the New Sewer Warrants and the pledges, covenants, agreements, and obligations set forth therein and in the New Sewer Warrant Indenture shall stand validated and confirmed.

At the time of the delivery of the New Sewer Warrants, the County is hereby directed to cause to be stamped or written on each of the New Sewer Warrants a legend substantially as follows:

“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.”

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 Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, 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) 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.

Section 5.11. Validation of the Approved Rate Structure.

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. Validation of Allowance of Sewer Debt Claims.

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.

Section 5.13. Notices.

Any notices to or requests of the County by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when actually received by the following parties:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Re: Jefferson County

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
Attn: Kenneth N. Klee, Esq.
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Re: Jefferson County

Section 5.14. Sewer Warrant Trustee Residual Fee Estimate.

The County will have the right to challenge the amount of the Sewer Warrant Trustee Residual Fee Estimate by filing an action in the Bankruptcy Court within five (5) calendar days after receipt of the Sewer Warrant Trustee Residual Fee Estimate, provided that prior to filing such an action, the County will make good faith efforts to resolve any dispute with the Sewer Warrant Trustee. Any challenge by the County to the amount of the Sewer Warrant Trustee Residual Fee Estimate will be resolved by the Bankruptcy Court on an expedited basis before the Effective Date.

ARTICLE VI
EFFECTS OF CONFIRMATION OF THE PLAN

Section 6.1. Binding Effect.

Upon the Effective Date and pursuant to Bankruptcy Code section 944(a), the Plan, the Distributions and transactions contemplated by the Plan, and the compromises and settlements

contained in the Plan 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 Sewer System, all parties in interest, and all other Persons. Confirmation of the Plan binds each holder of a Claim to all the terms and conditions of the Plan, 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 Plan, and whether or not such holder has accepted the Plan. The County reserves all rights to seek appropriate relief against any Person under Bankruptcy Code section 1142(b) to the extent necessary for the consummation of the Plan.

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; *provided, however*, that the foregoing provision shall not include or affect the liability of any Related Party of the County (x) in any action brought by the Securities and Exchange Commission or (y) on account of any violation of the securities laws. 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.

Nothing in the Plan discharges, releases, precludes, or enjoins: (i) any environmental liability to any governmental unit that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of any governmental unit arising on or after the Effective Date; or (iii) any environmental liability to any governmental unit on the part of any entity as the owner or operator of property after the Effective Date.

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) GO Releases and Injunctions.

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

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

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

(c) 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 and all GO 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, the GO 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.

Section 6.4. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

- (a) Except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;
- (b) Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the County is a party or with respect to which the County may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (c) Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the County that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;
- (d) Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan;
- (f) Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's rights, obligations, or interests under the Plan or the Confirmation Order;

(g) Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(h) Adjudicate any Preserved Claims;

(i) Implement and enforce the Commutation Election, and implement and enforce all settlements, releases, exculpations, and injunctions associated with the Plan;

(j) Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan or the Confirmation Order;

(k) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

(l) 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 – including implementation or enforcement of the Approved Rate Structure, issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, provision of the New Sewer Wrap Policy, and delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements – and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication;

(m) Hear and determine any actions brought against the County, the GO Released Parties, the Sewer Released Parties, or any of their respective Related Parties in connection with all compromises and settlements, exculpations and releases, the Plan, or the Case;

(n) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

(o) Enter an order closing the Case pursuant to Bankruptcy Code section 945(b).

If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this Section 6.4 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE VII
RECOMMENDATION AND CONCLUSION

The County believes that confirmation and implementation of the Plan are the best alternative under the circumstances and urges all its Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

DATED AS OF: November 6, 2013

JEFFERSON COUNTY, ALABAMA

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

Filed by:

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

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, jbender@babbc.com,
jhenderson@babbc.com

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP

Kenneth N. Klee (*pro hac vice*)

Lee R. Bogdanoff (*pro hac vice*)

David M. Stern (*pro hac vice*)

Robert J. Pfister (*pro hac vice*)

Whitman L. Holt (*pro hac vice*)

1999 Avenue of the Stars, Thirty-Ninth Floor

Los Angeles, California 90067

Telephone: (310) 407-4000

Facsimile: (310) 407-9090

Email: kklee@ktbslaw.com, lbogdanoff@ktbslaw.com,
dstern@ktbslaw.com, rpfister@ktbslaw.com,
wholt@ktbslaw.com

Counsel for Jefferson County, Alabama

Exhibit A

Preserved Claims

1. All Causes of Action and Avoidance Actions against British Petroleum arising out of the fire, explosions, and oil leak that occurred on the Deepwater Horizon, whether or not asserted in connection with the consolidated cases collectively styled *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, MDL No. 2179, pending in the United States District Court for the Eastern District of Louisiana.
2. All Causes of Action and Avoidance Actions against Bank of America, Bank of Tokyo - Mitsubishi UFJ, Barclays Bank plc, Citibank NA, Credit Suisse, Deutsche Bank AG, HSBC, Lloyds TSB Bank plc, Rabobank, Royal Bank of Canada, The Norinchukin Bank, The Royal Bank of Scotland Group, UBS AG, BNP Paribas, Credit Agricole Corporate Investment Bank, Sumitomo Mitsui Banking Corporation, and Société Générale regarding manipulation of the London Interbank Offered Rate and effect on the County's variable-rate obligations, including obligations under interest rate swap agreements.
3. All Causes of Action and Avoidance Actions against Jack Swann; Harry Chandler; Ronald Wilson; Clarence Barber; Larry Creel; Sohan Singh; Ed Key; U.S. Infrastructure; Civil Engineering Design Services; Pat Dougherty; Dougherty Engineering; Bobby Rast; Danny Rast; Rast Construction; William Dawson; Dawson Engineering; Grady Pugh, Jr; Roland Pugh; Roland Pugh Construction; and Eddie Yessick arising out of these parties' conduct in connection with bribery, corruption, or the construction of the Sewer System. The County's Causes of Action include claims for unpaid fines or restitution.
4. All Causes of Action and Avoidance Actions against Wachovia Bank, N.A. ("Wachovia") and Wells Fargo Bank, N.A. ("Wells Fargo") arising from Wachovia's violation of state and federal antitrust laws in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between Wachovia, Wells Fargo, and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
5. All Causes of Action and Avoidance Actions against UBS AG arising from violations of state and federal antitrust and other laws by UBS AG and others in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between UBS AG and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
6. All Causes of Action and Avoidance Actions against Jefferson Clinic, P.C. related to services provided to Cooper Green Mercy Hospital and payments made to Jefferson Clinic P.C. with respect to such services.
7. All Causes of Action and Avoidance Actions against any contractors, vendors, and former employees related to services provided to Cooper Green Mercy Hospital, including claims for refunds of payments made pursuant to void contracts.

8. All Causes of Action and Avoidance Actions against Health Assurance, LLC for refunds of premiums paid on or behalf of the County.
9. All Causes of Action and Avoidance Actions against Greater McAdory Athletic Association related to advances from the County earmarked for specific use.
10. All Causes of Action and Avoidance Actions against Hendon Engineering in connection with design and construction defects at the Five Mile Waste Water Treatment Plant.
11. All Causes of Action and Avoidance Actions for payment of any taxes, including sales taxes, use taxes, ad valorem taxes, occupational taxes, privilege taxes, or any other kind of tax; whether or not such taxes are currently the subject of any litigation.
12. All Causes of Action and Avoidance Actions related to services provided by the County to third parties, including municipalities and related municipal boards, authorities and other entities, sewer customers, and hospital and clinic patients.
13. All Causes of Action and Avoidance Actions relating to reimbursements from the State of Alabama and the federal government, including the Federal Emergency Management Agency, for County expenditures following the tornadoes of April 2011.
14. All Causes of Action and Avoidance Actions related to deposits, bonds, or other forms of security posted in connection with construction projects or other contracts as to which the counterparty failed to timely or satisfactorily perform.
15. All Causes of Action and Avoidance Actions related to subrogation rights against third parties arising from property and worker's compensation claims.
16. All Causes of Action and Avoidance Actions against any holder of Sewer Warrants that is not a Sewer Released Party or a Related Party of such Sewer Released Party.
17. All Causes of Action, Avoidance Actions, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Creditor or any Person that are not otherwise released under or pursuant to the Plan.

Exhibit B

Schedule of Assumed Agreements

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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 PO Box 1646	Columbiana	AL	35051	7/19/2011	Contract for Grounds Keeping Services at the Village Creek WWTP	\$8,500.00
Enersolv Corporation	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
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

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	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)	\$42,609.68
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

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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 Attn: Contracts Manager	Birmingham	AL	35203	6/23/1992	Revocable License Agreement	\$0.00
American Tower Management, LLC	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 Attn: Manager of Operations	Canonsburg	PA	15317	10/25/2005	Government Entity Tower License Agreement	\$0.00
Southern Communications Services, Inc.	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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

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
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	12/29/2004	Disclosure Dissemination Agent Agreement	\$0.00
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	2/2/2005	Disclosure Dissemination Agent Agreement	\$0.00
Holders 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
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Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

Exhibit C

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.

[Insert Charge Ordinance as Appendix]

Exhibit D

GO Acknowledgement

(i) The indebtedness evidenced and ordered to be paid on account of the GO Warrants and the GO Insurance Policies constitutes, and with respect to the Replacement 2001-B GO Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the GO Warrants, and the Replacement 2001-B GO Warrants once issued, as they become due and to reimburse National on account of the GO Insurance Policies.

(ii) Revenues legally available to the County for payment of debt service on the GO Warrants and to reimburse National on account of the GO Insurance Policies include, and with respect to the Replacement 2001-B GO Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The GO Warrants and the obligations to reimburse National on account of the GO Insurance Policies constitute, and the Replacement 2001-B GO Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the GO Warrants, and the Replacement 2001-B GO Warrants once issued, and to reimburse National on account of the GO Insurance Policies in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the GO Warrants, the GO Warrant Indenture, the GO Insurance Policies, and the Standby GO Warrant Purchase Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

Annex 2

Further Amended Financing Plan

Jefferson County, Alabama Sewer Revenue Restructuring Further Amended Financing Plan			
Sources and Uses			
Sources:			
Warrant Proceeds	Senior	Subordinate	Total
Principal	Lien	Lien	
Current Interest Warrants	\$375,000,000.00	\$750,155,000.00	\$1,125,155,000
Capital Appreciation Warrants	\$55,693,095.85	\$71,935,073.95	\$127,628,170
Convertible Capital Appreciation Warrants	\$69,308,272.15	\$416,317,273.00	\$485,625,545
Total	\$500,001,368.00	\$1,238,407,346.95	\$1,738,408,715
Aggregate principal does not and will not exceed \$1.977 billion amount contained in July 23 Amended Financing Plan.			
Original Issue Premium/Discount	\$3,776,250.00	(\$3,339,364.50)	\$436,885.50
Total Warrant Proceeds	\$503,777,618	\$1,235,067,982	\$1,738,845,600
Other Sources			
Other Sources of Funds			-
Cash from System Available to Closing			\$2,700,979
Total Sources	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Uses:			
Proceeds to Creditors	\$472,872,558.42	\$1,224,940,167.30	\$1,700,513,704.88
Warrant Insurance Premium	\$26,816,000.00	-	\$26,816,000.00
Debt Service Reserve Fund Deposit	-	-	-
Underwriter's Discount	\$3,370,009.22	\$8,346,865.52	\$11,716,874.74
Costs of Issuance	\$719,050.36	\$1,780,949.64	\$2,500,000.00
Additional Proceeds	-	-	-
Total Uses	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Summary Statistics			
Rate Increases:	Yr. One \$5 & 3.49% NR; 7.89% Yrs. 2-5, 3.49% until excess Cash Flow		
	Initial-year increase represents \$5 increase in base charge (residential and nonresidential) and 3.49% increase in volumetric non-residential charges.		
Future Value of Capital Appreciation Warrants			\$489,545,000
Future Value of Convertible Capital Appreciation Warrants			\$987,255,000
Future Value of All Capital Appreciating Warrants			\$1,476,800,000
Anticipated CAPEX Shortfall			\$1,200,006,438
Dated Date			12/3/13
Delivery Date			12/3/13

This Further Amended Financing Plan further amends the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013.

The rates set forth herein are solely for purposes of showing anticipated revenues. It is possible for the County to achieve equivalent revenues through means other than across the board rate increases, such as by tiered rates or minimum charges.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Proceeds to Creditors

Originally Agreed Upon Amount for Creditors*	1,847,000,000.00
Less: Warrant Proceeds & Funds on Hand	1,700,513,704.88
Less: Additional JPMorgan Contribution (1)	100,000,000.00
Less: Sewer Liquidity Bank Contribution	2,764,296.75
Less: Supporting Sewer Warrantholders Contribution	4,000,000.00
Less: Elimination of Put Consideration	13,500,000.00
Less: Additional Sewer Warrant Insurers Contribution (2)	26,250,000.00
Residual Amount Required for Creditors	(28,001.63)

*Amount based on negotiated and assumed distributions to sewer creditors: \$22 million of non-commutation basket, \$165 million to monolines, 65 cent non-commutation distribution, 80 cent commutation distribution (with waivers), and JPM reallocations. Amount does not include distributions to pay, or reimburse insurers for their payment of, preclosing interest and principal scheduled to come due on or after February 1, 2013. In addition, amount is net of Tail Risk considerations.

(1) Contributions in the form of reduced distributions to JPMorgan are in addition to net present value estimated to be approximately \$140,000,000 based on current market conditions, which value will be provided as a result of JPMorgan issuing up to \$180,000,000 face amount (i.e., 10% of the par amount of the new warrants) 40-year letter(s) of credit for deposit to one or more reserve funds under the New Sewer Warrant Indenture. Actual value of the letter(s) of credit will be determined at the time of pricing of the new warrants.

(2) Contributions in the form of reduced distributions to FGIC and Syncora are in addition to net present value estimated to be approximately \$13,750,000 based on current market conditions, which value will be provided as a result of Assured issuing a wrap policy insuring the \$500 million of Senior Lien warrants. Actual value of the wrap insurance policy will be determined at the time of pricing of the new warrants.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Consolidated Cash Flows (\$000's)

Fiscal Year	Net Revenues			Operating Expenses						CAPEX					Free Cash Flow					
	Yr.	Sewer Revenue	Misc. Revs to Debt Service	Total Revs to Debt Service	Net Debt Service	Operating Expenses	Misc. Revs to OpEx	Net Operating Expenses	Net Coverage	Total Revs. Avail. For CAPEX	Target CAPEX	Applied Constr. Fund Monies	Cash Flow Funded CAPEX	Total CAPEX Covered	CAPEX Short/Fall	FCF Before Fund Deposit	OpEx Fund Deposit	Net Free Cash Flow	Min OpEx Fund Balance	OpEx Fund Balance
Total		14,270,401	489,077	14,759,477	6,676,847	4,760,631	368,452	4,392,179		3,690,451	5,014,548	159,347	3,655,194	3,814,542	1,199,998	35,257	35,265	2,702		
2013	-																	2,702	16,795	16,795
2014	1	160,120	8,097	168,217	59,847	67,179	6,100	61,079	1.79x	47,292	47,292	-	47,292	47,292	-	-	-	-	16,173	16,795
2015	2	170,143	8,259	178,402	74,495	64,691	6,222	58,469	1.61x	45,438	64,581	20,274	44,307	64,581	-	1,132	1,134	-	16,593	17,929
2016	3	179,496	8,424	187,920	79,434	66,373	6,346	60,027	1.61x	48,459	66,678	19,355	47,323	66,678	-	1,137	1,134	-	17,000	19,063
2017	4	189,336	8,593	197,928	84,726	67,999	6,473	61,526	1.61x	51,676	61,597	11,051	50,546	61,597	-	1,130	1,134	-	17,050	20,196
2018	5	201,936	8,764	210,701	84,450	68,201	6,603	61,599	1.77x	64,652	72,820	9,306	63,515	72,820	-	1,137	1,134	-	17,553	21,330
2019	6	207,963	8,940	216,903	70,495	70,211	6,735	63,476	2.18x	82,931	151,865	70,067	81,798	151,865	-	1,133	1,134	-	17,892	22,464
2020	7	214,117	9,119	223,236	70,495	71,566	6,870	64,697	2.25x	88,044	116,205	29,295	86,910	116,205	-	1,133	1,134	-	19,035	23,598
2021	8	220,474	9,301	229,775	79,200	76,139	7,007	69,132	2.03x	81,442	80,311	-	80,311	80,311	-	1,131	1,134	-	19,598	24,732
2022	9	226,993	9,487	236,480	81,002	78,391	7,147	71,244	2.04x	84,235	83,100	-	83,100	83,100	-	1,134	1,134	-	20,199	25,866
2023	10	234,609	9,677	244,286	84,252	80,796	7,290	73,506	2.03x	86,527	85,397	-	85,397	85,397	-	1,130	1,134	-	20,827	27,000
2024	11	242,526	9,870	252,396	141,219	83,309	7,436	75,873	1.25x	35,304	87,959	-	35,304	35,304	52,655	-	-	-	21,476	27,000
2025	12	250,647	10,068	260,714	145,919	85,902	7,585	78,317	1.25x	36,479	90,598	-	36,479	36,479	54,120	-	-	-	22,144	27,000
2026	13	259,094	10,269	269,363	150,819	88,577	7,736	80,841	1.25x	37,703	93,316	-	37,703	37,703	55,613	-	-	-	22,834	27,000
2027	14	267,844	10,474	278,319	155,894	91,337	7,891	83,446	1.25x	38,979	96,116	-	38,979	38,979	57,137	-	-	-	23,546	27,000
2028	15	276,913	10,684	287,597	161,169	94,186	8,049	86,137	1.25x	40,292	98,999	-	40,292	40,292	58,707	-	-	-	24,281	27,000
2029	16	286,213	10,898	297,111	166,559	97,124	8,210	88,915	1.25x	41,638	101,969	-	41,638	41,638	60,331	-	-	-	25,039	27,000
2030	17	295,851	11,115	306,966	172,149	100,157	8,374	91,783	1.25x	43,035	105,028	-	43,035	43,035	61,993	-	-	-	25,821	27,000
2031	18	305,829	11,338	317,166	177,934	103,286	8,541	94,744	1.25x	44,489	108,179	-	44,489	44,489	63,690	-	-	-	26,629	27,000
2032	19	316,136	11,565	327,700	183,919	106,515	8,712	97,802	1.25x	45,979	111,424	-	45,518	45,518	65,907	462	462	-	27,462	27,462
2033	20	326,778	11,796	338,573	190,094	109,846	8,887	100,960	1.25x	47,520	114,767	-	46,660	46,660	68,107	860	860	-	28,321	28,321
2034	21	337,783	12,032	349,815	196,474	113,285	9,064	104,220	1.25x	49,121	118,210	-	48,234	48,234	69,976	887	887	-	29,208	29,208
2035	22	349,154	12,272	361,427	203,074	116,833	9,246	107,587	1.25x	50,766	121,756	-	49,851	49,851	71,906	915	915	-	30,123	30,123
2036	23	360,955	12,518	373,473	209,929	120,494	9,430	111,063	1.25x	52,481	125,409	-	51,537	51,537	73,872	945	945	-	31,068	31,068
2037	24	373,154	12,768	385,922	217,015	124,272	9,619	114,653	1.25x	54,254	129,171	-	53,279	53,279	75,892	975	975	-	32,043	32,043
2038	25	385,806	13,024	398,830	224,377	128,171	9,811	118,360	1.25x	56,093	133,046	-	55,087	55,087	77,959	1,006	1,006	-	33,049	33,049
2039	26	398,831	13,284	412,115	231,940	132,195	10,008	122,187	1.25x	57,987	137,038	-	56,949	56,949	80,088	1,038	1,038	-	34,087	34,087
2040	27	412,351	13,550	425,901	239,809	136,348	10,208	126,140	1.25x	59,953	141,149	-	58,881	58,881	82,268	1,071	1,071	-	35,158	35,158
2041	28	426,282	13,821	440,102	233,170	140,633	10,412	130,221	1.33x	76,712	145,383	-	75,606	75,606	69,777	1,106	1,106	-	36,264	36,264
2042	29	440,690	14,097	454,787	169,469	145,056	10,620	134,436	1.89x	150,883	149,745	-	149,741	149,741	-	1,141	1,141	-	37,405	37,405
2043	30	455,606	14,379	469,985	175,784	149,621	10,833	138,788	1.88x	155,414	154,237	-	154,236	154,236	-	1,178	1,178	-	38,583	38,583
2044	31	471,038	14,667	485,704	182,342	154,331	11,049	143,282	1.88x	160,081	158,864	-	158,865	158,865	-	1,216	1,216	-	39,798	39,798
2045	32	486,953	14,960	501,913	189,106	159,193	11,270	147,923	1.87x	164,883	163,630	-	163,629	163,629	-	1,255	1,255	-	41,053	41,053
2046	33	503,405	15,259	518,664	196,114	164,212	11,496	152,716	1.87x	169,834	168,539	-	168,539	168,539	-	1,295	1,295	-	42,348	42,348
2047	34	520,485	15,564	536,049	203,448	169,391	11,726	157,665	1.86x	174,936	173,595	-	173,599	173,599	-	1,336	1,336	-	43,684	43,684
2048	35	538,099	15,876	553,975	211,016	174,736	11,960	162,776	1.85x	180,182	178,803	-	178,803	178,803	-	1,379	1,379	-	45,063	45,063
2049	36	556,360	16,193	572,553	218,910	180,253	12,199	168,054	1.85x	185,589	184,167	-	184,165	184,165	-	1,424	1,424	-	46,487	46,487
2050	37	575,167	16,517	591,684	227,018	185,948	12,443	173,505	1.84x	191,161	189,692	-	189,692	189,692	-	1,469	1,469	-	47,956	47,956
2051	38	594,684	16,847	611,531	235,499	191,826	12,692	179,134	1.84x	196,899	195,383	-	195,382	195,382	-	1,517	1,517	-	49,473	49,473
2052	39	614,869	17,184	632,053	244,297	197,893	12,946	184,947	1.83x	202,810	201,245	-	201,244	201,244	-	1,566	1,566	-	51,039	51,039
2053	40	635,713	17,528	653,241	253,991	204,155	13,205	190,950	1.82x	208,300	207,282	-	207,279	207,279	-	1,021	1,021	-	52,059	52,059

SUPPLEMENT TO PLAN SUPPORT AGREEMENT

This SUPPLEMENT TO PLAN SUPPORT AGREEMENT (this “Supplement”), dated as of November 6, 2013, is made and entered into as a supplement to that certain *Plan Support Agreement* dated as of June 6, 2013, by and among Jefferson County, Alabama, Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc., Financial Guaranty Insurance Company, and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc. (the “PSA”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the PSA. This Supplement constitutes a writing signed by the County and each Sewer Warrant Insurer for purposes of Section 8.6(c) of the PSA.

1. Revised Plan Is an Acceptable Plan. Notwithstanding anything to the contrary contained in the PSA, any term sheet, or any other document, a plan in the form of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama* attached hereto as Annex 1 (the “Revised Plan”) shall constitute an “Acceptable Plan” for all purposes under the PSA.

2. Consent Under Rule 3019(a). By their execution of this Supplement, each Sewer Warrant Insurer acknowledges and agrees that (a) all modifications made to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the “Prior Plan”) by the Revised Plan are accepted by such Sewer Warrant Insurer; and (b) pursuant to Federal Rule of Bankruptcy Procedure 3019(a), all ballots cast by such Sewer Warrant Insurer to accept the Prior Plan shall be deemed to be ballots cast to accept the Revised Plan. The Sewer Warrant Insurers agree that the County may attach this Supplement as an exhibit to a notice of plan modifications filed with the Bankruptcy Court and that this Supplement shall evidence the Sewer Warrant Insurers’ acceptance in writing of all such modifications for purposes of Federal Rule of Bankruptcy Procedure 3019(a).

3. Commitment to Consummate Financing. The County shall exercise all reasonable efforts to consummate a financing transaction substantially as set forth in that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013, a copy of which is attached hereto as Annex 2 (the “Further Amended Financing Plan”) and to maximize the amount of Excess Refinancing Proceeds (as defined in the Revised Plan) generated by such transaction; *provided, however*, that the County shall not be required to structure the issuance of the New Sewer Warrants (as defined in the Revised Plan) (the “Refinancing”) so as to produce any Excess Refinancing Proceeds to the extent that any such structure would involve economic modifications adverse to the ratepayers or the system in any material respect. For the avoidance of doubt, under no circumstances shall the County be required to structure the Refinancing so as to increase the amount of any Excess Refinancing Proceeds if in order to do so the County would be required to modify the Approved Rate Structure to increase sewer rates or other charges.

4. Notice Waivers. The Sewer Warrant Insurers (a) waive any requirement under the PSA that the County provide further written notice of the Further Amended Financing Plan (whether as an amendment to the Financing Plan or otherwise); and (b) waive any prior breach or potential breach of the PSA that could result from the County not giving written notice of the Further Amended Financing Plan prior to the date of this Supplement to the extent required by Section 4(d) of the PSA. The Sewer Warrant Insurers further waive any requirement under the

PSA that the County provide written notice of the supplements to the JPMorgan PSA and the Supporting Warrantholder PSA that will be executed by the County and the applicable counterparties contemporaneously with the execution of this Supplement.

5. Extension of Confirmation Deadline. The references to “November 25, 2013” in Sections 7.1(o)(iii) and 7.1(o)(iv) of the PSA as the outside date for the Bankruptcy Court to enter the Confirmation Order and an order (which may be the Confirmation Order) validating the New Sewer Warrants are hereby deleted and replaced with “December 9, 2013”, and corresponding changes are deemed to be made in any applicable term sheets.

6. Agreement to Provide the New Sewer Wrap Policy. Subject to the confirmation of an Acceptable Plan, the occurrence of the Effective Date, and execution and effectiveness of acceptable documentation, Assured shall provide a municipal bond insurance policy in the amount of \$500 million in connection with the issuance of the Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A, the Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B, and the Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C, under the indenture for the New Sewer Warrants, on substantially the terms set forth in the Further Amended Financing Plan and the forms of operative documents to be filed as part of the amended Plan Supplement.

7. No Other Revisions to the PSA. Other than as expressly set forth herein, the execution, delivery, and effectiveness of this Supplement shall not operate as a waiver of any right, power, or remedy of any Party under the PSA, nor constitute a waiver of any provision of the PSA. Other than as expressly set forth herein, the PSA shall remain unchanged and in full force and effect in accordance with its terms. This Supplement shall be deemed to be a part of the PSA for all purposes.

8. Governing Law. This Supplement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. Any dispute with respect to this Supplement shall be resolved by the Bankruptcy Court.

9. Execution of this Supplement. This Supplement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Supplement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Supplement. Each Party represents that each individual executing this Supplement on behalf of such Party has been duly authorized and empowered to execute and deliver this Supplement on behalf of such Party. FGIC’s obligations under this Supplement (and any applicable representations, warranties, or provisions herein) are expressly subject to FGIC obtaining approval of the transactions contemplated by this Supplement from the New York State Department of Financial Services no later than November 8, 2013 (or such later date as the County and FGIC may agree in writing for obtaining such approval).

10. Right to Terminate. If the New York State Department of Financial Services fails to approve FGIC’s execution and performance of this Supplement on or before November 8,

2013, or any later date agreed in writing by the County and FGIC for obtaining such approval, then any of the Sewer Warrant Insurers or the County may terminate this Supplement by written notice to each other Party.

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IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



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

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By:
Its:

SYNCORA GUARANTEE INC.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.



By:
Its: **HOLLY HORN**
CHIEF SURVEILLANCE OFFICER
PUBLIC FINANCE

FINANCIAL GUARANTY INSURANCE COMPANY

By:
Its:

SYNCORA GUARANTEE INC.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

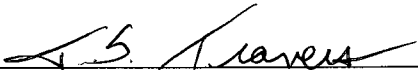
JEFFERSON COUNTY, ALABAMA

By:
Its:

ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY



By: Timothy S. Travers
Its: Executive Vice President

SYNCORA GUARANTEE INC.

By:
Its:

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:


ASSURED GUARANTY MUNICIPAL CORP.

By:
Its:

FINANCIAL GUARANTY INSURANCE COMPANY

By:
Its:

SYNCORA GUARANTEE INC.



By: FREDERICK B. HNAT
Its: MANAGING DIRECTOR & SENIOR COUNSEL

Annex 1
Revised Plan

**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.)	

**CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA
(DATED November 6, 2013)**

Pursuant to 11 U.S.C. § 941, Jefferson County, Alabama, files this plan of adjustment.

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

As used in the Plan and the Plan’s Exhibits, the following Defined Terms shall have the respective meanings specified below:

1. **“503(b)(9) Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.
2. **“503(b)(9) Claim”** means a Claim that is entitled to treatment as an administrative expense under Bankruptcy Code section 503(b)(9).
3. **“Accumulated Sewer Revenues”** means all revenues of the Sewer System that are deposited and retained by the Sewer Warrant Trustee in either the “Jefferson County Sewer System Revenue Account” or the “Jefferson County Sewer System Debt Service Fund” through the Effective Date, in each case without deducting any amounts that may be subject to deduction as “Operating Expenses” under the Sewer Warrant Indenture as a result of any ruling by the Bankruptcy Court regarding the pending dispute about actually incurred professional fees in Adversary Proceeding Number 12-00016-TBB.
4. **“Act 619”** means Act 619 of the Alabama Legislature, 1949 Ala. Acts 949, *et seq.* (Sept. 19, 1949).
5. **“Adjusted Sewer Warrant Principal Amount”** means the amount of principal considered to be outstanding on each of the Sewer Warrants as of January 31, 2013, based upon the records maintained by the Sewer Warrant Trustee, *less* all payments of principal of Sewer Warrants (including principal included within the Sewer Warrant Insurers Outlay Amount) to be made on the Effective Date from the Accumulated Sewer Revenues as set forth in Section 4.6(a) of the Plan. The aggregate Adjusted Sewer Warrant Principal Amount with respect to all Sewer Warrants as of the Effective Date is anticipated to be approximately \$3.078 billion.
6. **“Administrative Claim”** means a Claim for administrative costs or expenses that is entitled to priority in payment under Bankruptcy Code sections 503(b), 507(a)(2), and 901.
7. **“Administrative Claims Bar Date”** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the last day to file proof of an Administrative Claim, which date shall be no more than ninety (90) calendar days after the Effective Date, after which date any Administrative Claim not timely Filed shall be forever barred, and the County shall have no obligation with respect thereto; *provided, however*, that no proof of an Administrative Claim shall be required to be filed if such Administrative Claim shall have been incurred (a) in accordance with an order of the Bankruptcy Court or (b) with the written consent of the County and in the ordinary course of the County’s operations.

8. **“Alabama Constitution”** means the Constitution of Alabama of 1901, as amended from time to time thereafter.

9. **“Allowed”** or **“Allowed _____ Claim”** means:

- (a) with respect to a Claim arising prior to the Petition Date (including a 503(b)(9) Claim):
 - (i) either (A) a proof of Claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of Claim is deemed timely Filed either as a result of such Claim being listed on the List of Creditors or by a Final Order; and
 - (ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;
- (b) with respect to a Claim arising on or after the Petition Date (excluding a 503(b)(9) Claim), a Claim that has been allowed pursuant to Section 2.2(a) of the Plan.

Unless otherwise specified in the Plan or by a Final Order of the Bankruptcy Court, an “Allowed Administrative Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, or late charges on such Administrative Claim or Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the Case is not an Allowed Claim. For the avoidance of doubt, any and all Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

10. **“Ambac”** means Ambac Assurance Corporation.

11. **“Amended and Restated GO Warrant Indentures”** means the new trust indentures delivered in exchange for the GO Warrant Indenture pursuant to Bankruptcy Code section 1123(a)(5)(F), the forms of which indentures are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

12. **“Amended List Bar Date”** means, with respect to a claimant affected by the County’s amendment of the List of Creditors subsequent to the mailing and publication of the Bar Date Notice that reduces the undisputed, non-contingent, or liquidated amount or changes the nature or classification of such claimant’s Claim, the later of (a) either (i) the General Bar Date or (ii) if such claimant is a governmental unit, the Governmental Unit Bar Date; and (b) thirty (30) calendar days after the date that such claimant is served with notice of the amendment to the List of Creditors altering the amount, nature, or classification of such claimant’s Claim.

13. **“Approved Rate Structure”** means the structure of sewer rates and charges approved by the County Commission pursuant to Amendment 73 of the Alabama Constitution and Act 619 to be charged by the County to users of the Sewer System to support the repayment of the New Sewer Warrants so long as any portion of the New Sewer Warrants remain outstanding, which structure is set forth as Exhibit C to the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

14. **“Asserted Full Recourse Sewer Claims”** means any and all Claims based on or related to any Sewer Debt Claims that any Person asserts are general obligations of the County payable from the General Fund, including (a) the Sewer Warrant Trustee’s Asserted Recourse Claim; (b) the unliquidated proofs of Claim for indemnity, fraud, fraud in the inducement, and the like Filed by FGIC; (c) the unliquidated proofs of Claim for indemnity Filed by Assured; (d) the unliquidated proofs of Claim for indemnity Filed by Syncora; and (e) the JPMorgan Asserted Recourse Indemnification Claims.

15. **“Assured”** means Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc.

16. **“Avoidance Actions”** means all causes of action, claims, remedies, or rights that may be brought by or on behalf of the County under any section contained within chapter 5 of the Bankruptcy Code, or under related state or federal statutes or common law, regardless whether such action has been commenced prior to the Effective Date.

17. **“Avoidance Claim Bar Date”** means, with respect to any Person asserting Claims arising from the avoidance of a transfer under chapter 5 of the Bankruptcy Code, the first Business Day that is at least thirty (30) calendar days after entry of the order or judgment authorizing avoidance of the transfer.

18. **“Ballot”** means the ballot forms distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject the Plan, on which form the holder may cast its vote in respect of the Plan in accordance with the Plan and the Plan Procedures Order, and which must be actually received by the Ballot Tabulator on or before the Ballot Deadline in order to be counted.

19. **“Ballot Deadline”** means the deadline established by the Bankruptcy Court in the Plan Procedures Order for the delivery of executed Ballots to the Ballot Tabulator.

20. **“Ballot Record Date”** means the date established by the Bankruptcy Court in the Plan Procedures Order to determine which Creditors are entitled to vote on the Plan.

21. **“Ballot Tabulator”** means the Claims Agent, or any other Person designated by the County to tabulate Ballots in accordance with the Plan Procedures Order.

22. **“Bank Warrant Claims”** means any and all Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims and Series 2003-B-2 Through B-7 Sewer Claims. For the avoidance of doubt, (i) any Claims on account of Bank Warrants held by any of the Sewer Warrant Insurers are Sewer Warrant Insurers Claims, not Bank Warrant Claims; and (ii) Bank Warrant Claims do not include the Other Standby Sewer Warrant Claims.

23. **“Bank Warrant Default Interest Claims”** means any Claims based on interest that is alleged to have accrued on any Bank Warrants on or before the Petition Date at a “default” rate or as interest on interest, including under the Standby Sewer Warrant Purchase Agreements, and that remained unpaid on the Petition Date.

24. **“Bank Warrants”** means, collectively, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and the Series 2003-B-2 Through B-7 Sewer Warrants.

25. **“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as the same may be amended from time to time to the extent applicable to the Case.

26. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or any other court that exercises competent jurisdiction over the Case.

27. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case.

28. **“Bar Date Notice”** means the *Notice of (A) Entry of Order for Relief and (B) Deadlines for Filing Proofs of Claim and Requests for Allowance of Section 503(b)(9) Administrative Expense Claims*, which sets forth certain dates, deadlines, and procedures relevant to filing proofs of Claims in the Case pursuant to the *Order (I) Setting Bar Dates and Procedures for Filing Proofs of Claim; (II) Setting the Bar Date and Procedures for Filing Requests for Allowance of Section 503(b)(9) Claims; and (III) Approving Form and Manner of Serving and Publishing the Notices of Bar Dates and the Entry of the Order for Relief*, as subsequently amended [Docket Nos. 889 & 933].

29. **“Bennett Action”** means that certain adversary proceeding styled as *Andrew Bennett, et al. v. Jefferson County, Alabama and The Bank of New York Mellon, as Indenture Trustee (In re Jefferson County, Alabama)*, Adv. Proc. No. 12-00120 (Bankr. N.D. Ala.).

30. **“Bessemer Indenture”** means that certain *Trust Indenture* dated as of August 1, 2006, between the PBA and the Bessemer Trustee.

31. **“Bessemer Insurer”** means Ambac.

32. **“Bessemer Lease”** means that certain *Lease Agreement* dated August 1, 2006, by and between the County and the PBA.

33. **“Bessemer Lease Claims”** means, collectively, (a) any and all Claims arising from or in connection with the Bessemer Lease, including all Claims resulting from the rejection of the Bessemer Lease under Bankruptcy Code section 365; and (b) any and all Claims that could be asserted (directly or indirectly) by any Person under or in connection with the Bessemer Indenture and the Bessemer Policy, including by any reinsurer regarding the Bessemer Policy or by any holder of warrants issued under the Bessemer Indenture; *provided, however*, that for the avoidance of doubt, the “Bessemer Lease Claims” do not include any Claims arising under the New Bessemer Lease, under the Bessemer Stipulation, or under any Related Documents (as defined in the Bessemer Stipulation) on and after the Effective Date.

34. **“Bessemer Policy”** means that certain *Financial Guaranty Insurance Policy* number 25645BE issued by Ambac on or around August 17, 2006, and insuring certain of the PBA’s obligations under the Bessemer Indenture.

35. **“Bessemer Stipulation”** means that certain *Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes* dated as of November 27, 2012, by and among the County, the PBA, the Bessemer Trustee, and the Bessemer Insurer, which Bessemer Stipulation was approved by order of the Bankruptcy Court on December 20, 2012 [Docket No. 1537].

36. **“Bessemer Trustee”** means First Commercial Bank, in its capacity as Indenture Trustee under the Bessemer Indenture.

37. **“BLB”** means Bayerische Landesbank, New York Branch, formerly known as Bayerische Landesbank Girozentrale.

38. **“BLB GO Claim”** means \$52,937,479.17, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by BLB.

39. **“BNY”** means The Bank of New York Mellon in its capacity as a Sewer Liquidity Bank and not in any other capacity.

40. **“Board of Education Lease Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Warrants or the Board of Education Lease Indenture other than Board of Education Lease Policy Claims.

41. **“Board of Education Lease Debts”** means, together, all Board of Education Lease Claims and all Board of Education Lease Policy Claims.

42. **“Board of Education Lease Indenture”** means that certain *Mortgage and Trust Indenture* dated as of July 1, 2000, between the County and the Board of Education Lease Trustee.

43. **“Board of Education Lease Insurer”** means Assured.

44. **“Board of Education Lease Policy”** means that certain *Municipal Bond Insurance Policy* number 26420-N issued by Assured on or around July 25, 2000.

45. **“Board of Education Lease Policy Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Policy, as well as any and all Claims of the Board of Education Lease Insurer or any Transferee of the Board of Education Lease Insurer arising from or in connection with the Board of Education Lease Indenture, including all Claims arising in connection with any Board of Education Lease Warrants held by the Board of Education Lease Insurer or by any Transferee of the Board of Education Lease Insurer as a result of the Board of Education Lease Insurer’s satisfaction of any claims under the Board of Education Lease Policy, and including any related Reinsurance Claims.

46. **“Board of Education Lease Trustee”** means U.S. Bank National Association, in its capacity as Indenture Trustee under the Board of Education Lease Indenture and as successor to SouthTrust Bank.

47. **“Board of Education Lease Trustee Fee Claims”** means any and all Claims of the Board of Education Lease Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the Board of Education Lease Indenture.

48. **“Board of Education Lease Warrants”** means those certain Limited Obligation School Warrants, Series 2000 issued in the original principal amount of \$45,210,000 and insured by the Board of Education Lease Insurer.

49. **“Business Day”** means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

50. **“Case”** means the voluntary case commenced by the County under chapter 9 of the Bankruptcy Code and pending before the Bankruptcy Court.

51. **“Cash”** means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

52. **“Causes of Action”** means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims (including equitable subordination claims and statutory subordination claims), subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

53. **“Claim”** means any “claim” as that word is defined by Bankruptcy Code section 101(5) against the County or against property of the County, whether or not asserted in the Case.

54. **“Claims Agent”** means Kurtzman Carson Consultants LLC, the County’s court-appointed claims, noticing, and balloting agent pursuant to 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].

55. **“Claims Bar Date”** means, as applicable, the 503(b)(9) Bar Date, the Administrative Claim Bar Date, the Amended List Bar Date, the Avoidance Claim Bar Date, the General Bar Date, the Governmental Unit Bar Date, and the Rejection Bar Date.

56. **“Claims Objection Deadline”** means, unless extended by the Bankruptcy Court upon a motion Filed by the County, the date that is the later of (a) the first Business Day that is at least 180 calendar days after the Effective Date, and (b) the first Business Day that is at least 180 calendar days after the date on which a proof of Claim in respect of a Claim has been Filed. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court.

57. **“Class”** means a group of Claims as designated in Section 2.3 of the Plan, or any subclass thereof.

58. **“Closing Agreement”** means an agreement between the County and the Internal Revenue Service which, in form and substance acceptable to the County and each of the Sewer Plan Support Parties other than LBSF, resolves the pending audit regarding certain of the Sewer Warrants and confirms the tax-free status of all the Sewer Warrants, with no taxes, costs, or other liabilities to the existing holders of the Sewer Warrants.

59. **“Commutation Election”** means the election or deemed election under the Plan of a holder of Sewer Warrants to unconditionally commute, waive, and forever release, discharge, and forgo (a) any and all Sewer Wrap Payment Rights; (b) any and all Bank Warrant Default Interest Claims; and (c) any and all other Sewer Released Claims against the County, against any of the Sewer Released Parties, or against any of their respective Related Parties.

60. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court in the Case.

61. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by Bankruptcy Code section 1128(a), as such hearing may be continued from time to time.

62. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan under Bankruptcy Code section 943(b).

63. **“Consent Decree Claims”** means any and all Claims arising from or in connection with either of the Consent Decrees.

64. **“Consent Decrees”** means the EPA Consent Decree and the Hiring Practices Consent Decree.

65. **“Contingent Claim”** means a Claim that is listed on the List of Creditors as contingent.

66. **“County”** means Jefferson County, Alabama, a political subdivision of the State of Alabama and the chapter 9 debtor in the Case.

67. **“County Commission”** means the duly elected five member Jefferson County Commission, which serves as the governing body of the County pursuant to Alabama Code sections 11-1-5 and 11-3-11.

68. **“Covered Tail Risk”** means Cash equal to each Sewer Warrant Insurer’s Tail Risk to be paid by the County on the Effective Date, the amount of which Cash shall not exceed \$25 million in the aggregate.

69. **“Creditor”** means a Person holding a Claim.

70. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to Bankruptcy Code section 1123(b)(2).

71. **“Declaratory Judgment Action”** means that certain adversary proceeding commenced by the Sewer Warrant Trustee against the County, Syncora, and Assured on or about February 6, 2013, and styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (Bankr. N.D. Ala.).

72. **“Defined Term”** means any capitalized term that is defined in this Section 1.1 of the Plan.

73. **“Depfa Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

74. **“Deposit Refund Claims”** means any and all Claims for the refund of any deposits paid to and held by the County, including deposits made with respect to applications for permits issued by the County and security deposits paid to the County with respect to the provision of services by the County.

75. **“Disallowed Claim”** means a Claim that (a) is not listed on the List of Creditors, or is listed thereon as contingent, unliquidated, disputed, or in an amount equal to zero, and whose holder failed to timely File a proof of Claim by the applicable Claims Bar Date; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

76. **“Disclosure Statement”** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125, as it subsequently may be amended, modified, or supplemented by the County.

77. **“Disputed Claim”** means a Claim:

- (a) as to which a proof of Claim is Filed or is deemed Filed as a result of such Claim being listed on the List of Creditors; and
- (b) as to which:
 - (i) an objection or request for estimation (A) has been timely Filed, and (B) has not been denied by a Final Order or withdrawn; or
 - (ii) is a Claim that is listed on the List of Creditors as disputed; or
 - (iii) is disputed in whole or in part under the Plan.

78. **“Distribution”** means any initial or subsequent issuance, payment, or transfer of consideration made under the Plan.

79. **“Distribution Record Date”** means (a) the first Business Day that is at least ten (10) calendar days after the Confirmation Date; or (b) such later date before the Effective Date as the County (i) reasonably determines, after consultation with the Sewer Plan Support Parties and the Sewer Warrant Trustee, is feasible in light of the anticipated date of the Effective Date and (ii) specifies in a notice Filed with the Bankruptcy Court.

80. **“DTC”** means The Depository Trust Company.

81. **“Effective Date”** means a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which the conditions set forth in Section 4.18(a) of the Plan have been satisfied or waived by the County and by any other necessary parties in accordance with Section 4.18(b) of the Plan.

82. **“Eligible Sewer Warrants”** means the Sewer Warrants held by the Supporting Sewer Warrantholders as of the date of execution of the Supporting Sewer Warrantholder Plan Support Agreement and set forth opposite each such Supporting Sewer Warrantholder’s name on Schedule 1 thereto.

83. **“Eminent Domain Claims”** means any and all Claims for actual damages arising directly from the County’s exercise of its power of eminent domain or condemnation.

84. **“Employee Compensation Claims”** means any and all Claims of Persons employed by the County or the State of Alabama as of the Petition Date that the County is required to compensate by agreement or applicable law, for all forms of compensation including unpaid wages, salaries, accrued vacation, compensation or “comp” time, pension contributions, health insurance premiums, and sick pay arising prior to the Petition Date and remaining outstanding on the Effective Date.

85. **“Employee Indemnification Claims”** means any and all Claims for legal representation or indemnification made by Persons currently or formerly employed by either the County or such boards, agencies, and commissions designated by the County Commission, with regard to civil claims for which such Persons may be legally obligated to pay where the incident or occurrence giving rise to such representation or claim was one arising out of and within the line and scope of their employment, pursuant to the limitations and upon the conditions specified by the County Commission or applicable law.

86. **“EPA Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 9, 1996, in the litigation styled as *Kipp, et al. v. Jefferson County, Alabama*, Civil Action No. 93-G-2492-S (N.D. Ala.) and *United States v. Jefferson County, Alabama*, Civil Action No. 94-G-2947-S (N.D. Ala.).

87. **“Excess Refinancing Proceeds”** means an amount equal to the sum of (a) the amount of Refinancing Proceeds, if any, generated due to a difference between (1) the rates (yields) actually realized upon the issuance of the New Sewer Warrants, and (2) the rates (yields) assumed to be realized in the Further Amended Financing Plan; and (b) the amount of the excess, if any, when (1) the aggregate amount of the Distributions and other payments actually made under the Plan on account of all Sewer Debt Claims (including as a result of the ultimate Tail Risk resulting from the rescission process for holders of the Series 2003-C-9 Through C-10

Sewer Warrants that are deemed to make the Commutation Election), before giving effect to any Distributions made under Section 4.19 of the Plan, is subtracted from (2) the aggregate amount of the Distributions and other payments projected to be made under the Plan on account of all Sewer Debt Claims as set forth in the Further Amended Financing Plan.

88. **“Excess Refinancing Proceeds – First Tranche”** means the first \$30,000,000 of Excess Refinancing Proceeds.

89. **“Excess Refinancing Proceeds – Second Tranche”** means any and all Excess Refinancing Proceeds in excess of \$30,000,000 but less than or equal to \$160,000,000. For the avoidance of doubt, in no event shall the amount of the Excess Refinancing Proceeds – Second Tranche exceed \$130,000,000.

90. **“Excess Refinancing Proceeds – Third Tranche”** means any and all Excess Refinancing Proceeds in excess of \$160,000,000; *provided, however*, that in no event shall the amount of the Excess Refinancing Proceeds – Third Tranche exceed the amount of the present value (as reasonably determined by the lead underwriter for the New Sewer Warrants) provided by the Reserve Fund LOC to the financing transaction associated with the issuance of the New Sewer Warrants.

91. **“Federal Court Receivership Action”** means *The Bank of New York Mellon, as Trustee v. Jefferson County, Alabama, et al.*, Case No. 2:08-cv-1703-RDP, pending in the United States District Court for the Northern District of Alabama, Southern Division.

92. **“FGIC”** means Financial Guaranty Insurance Company.

93. **“FGIC Assured-Insured Warrant Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants held by FGIC as an investment as of the date of the execution of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers.

94. **“FGIC Rehabilitator”** means Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (N.Y. Sup. Ct.).

95. **“File”** or **“Filed”** means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Bankruptcy Court in the Case, except with respect to proofs of claim that must be filed with the Claims Agent pursuant to the Bar Date Notice, in which case “File” or “Filed” means duly and properly filed with the Claims Agent and reflected on the official claims register maintained by the Claims Agent.

96. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

(a) that has not been reversed, rescinded, stayed, modified, or amended;

(b) that is in full force and effect; and

- (c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be filed with respect to such order.

97. **“Further Amended Financing Plan”** means that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013.

98. **“Future Tax Proceeds”** means any future excess tax proceeds available for mandatory redemptions under the School Warrant Indenture.

99. **“General Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the general deadline for Creditors to file proofs of Claims against the County.

100. **“General Fund”** means the County’s general operating fund.

101. **“General Liability Claim”** means a Claim, arising in tort or otherwise, for damages arising from or relating to death, injury to a Person, damage to or loss of property, or any other injury that a Person may suffer to his, her, or its Person, reputation, character, feelings, or estate.

102. **“General Unsecured Claim”** means a Claim that is not an Administrative Claim, a Bessemer Lease Claim, a Board of Education Lease Debt Claim, a GO Debt Claim, an Other Unimpaired Claim, a Professional Fee Claim, a Secured Claim, a Special Revenues Claim, or a Subordinated Claim. General Unsecured Claims include the Asserted Full Recourse Sewer Claims, Rejection Damage Claims, and the Uninsured Portion of General Liability Claims.

103. **“General Unsecured Claims Pool”** means the sum of \$5 million, which will be contributed from the General Fund to a segregated, interest-bearing account on the Effective Date, plus all interest paid by the depository institution with respect to such sum through and including the GUC Payment Date.

104. **“GO Acknowledgment”** means the provisions set forth in Exhibit D to the Plan, which the County will include in the proposed form of Confirmation Order.

105. **“GO Banks”** means, together, BLB and JPMorgan Chase Bank, N.A.

106. **“GO Debt Claims”** means, collectively, all GO Policy Claims, all GO Swap Agreement Claims, and all GO Warrant Claims.

107. **“GO Events of Default”** means all defaults or breaches by the County of either of the GO Resolutions, including any failure of the County to pay amounts due and owing on any of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants when due.

108. **“GO Insurance Policies”** means, together, (a) that certain *Financial Guaranty Insurance Policy* number 40587 issued by National on or around March 19, 2003; and (b) that certain *Financial Guaranty Insurance Policy* number 44671 issued by National on or around August 10, 2004.

109. **“GO Paying Agents”** means, together, (a) The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent with respect to the Series 2003-A GO Warrants; and (b) U.S. Bank National Association, in its capacity as successor paying agent with respect to the Series 2004-A GO Warrants.

110. **“GO Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of May 13, 2013, by and among the County, the GO Banks, and the GO Warrant Trustee.

111. **“GO Plan Support Parties”** means, collectively, the GO Banks, the GO Warrant Trustee, and National.

112. **“GO Policy Claims”** means any and all Claims arising from or in connection with the GO Insurance Policies, as well as any and all Claims of the GO Warrant Insurer or any Transferee of the GO Warrant Insurer arising from or in connection with the GO Resolutions, including all Claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies, including the National Fees and Expenses Claims and the National Reimbursement Claims, and including any related Reinsurance Claims.

113. **“GO Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the GO Insurance Policies, the GO Resolutions, the GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement, but excluding (a) all obligations imposed by the Plan, the Amended and Restated GO Warrant Indentures, and the Replacement 2001-B GO Warrants; and (b) any Claim held by a GO Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also GO Released Parties.

114. **“GO Released Parties”** means each of the County, the GO Banks, the GO Warrant Trustee, and National.

115. **“GO Resolution 2003-A”** means that certain *Resolution and Order*, including any documents annexed thereto, adopted by the County Commission at a meeting held on March 6, 2003, and authorizing the issuance of the Series 2003-A GO Warrants.

116. **“GO Resolution 2004-A”** means that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004, and authorizing the issuance of the Series 2004-A GO Warrants.

117. **“GO Resolutions”** means, together, the GO Resolution 2003-A and the GO Resolution 2004-A.

118. **“GO Swap Agreement”** means that certain *ISDA Master Agreement* dated as of March 23, 2001, between the County and JPMorgan Chase Bank, N.A., as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto

119. **“GO Swap Agreement Claims”** means any and all Claims arising under the GO Swap Agreement, including with respect to all “Transactions” (as defined in the GO Swap Agreement) thereunder.

120. **“GO Warrant Claims”** means any and all Series 2001-B GO Claims, Series 2003-A GO Claims, and Series 2004-A GO Claims.

121. **“GO Warrant Indenture”** means that certain *Trust Indenture* dated as of July 1, 2001, between the County and the GO Warrant Trustee.

122. **“GO Warrant Insurer”** means National.

123. **“GO Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as Indenture Trustee under the GO Warrant Indenture and as successor to The Bank of New York.

124. **“GO Warrant Trustee Fee Claims”** means any and all Claims of the GO Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the GO Warrant Indenture.

125. **“GO Warrants”** means, collectively, the Series 2001-B GO Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants.

126. **“Governmental Unit Bar Date”** means August 31, 2012, which is the date established by the Bankruptcy Court as the deadline for governmental units to file proofs of Claims.

127. **“GUC Payment Date”** means the later of (a) the third (3rd) annual anniversary of the Effective Date, and (b) the date on which all objections that the County Files regarding

any General Unsecured Claims on or before the Claims Objection Deadline have been settled or resolved by Final Orders.

128. **“Hiring Practices Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 29, 1982, in the litigation styled as *United States of America v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS (N.D. Ala.).

129. **“Impaired”** means “impaired” within the definition of Bankruptcy Code section 1124.

130. **“Indenture Trustees”** means, collectively, the Board of Education Lease Trustee, the GO Warrant Trustee, the School Warrant Trustee, and the Sewer Warrant Trustee.

131. **“Insured Portion”** means that portion of an Allowed General Liability Claim that is covered by insurance by one or more policies providing coverage to or on behalf of the County or any of its employees, including any excess coverage policies.

132. **“JPMorgan Asserted Recourse Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Warrant Purchase Agreements*, dated as of March 6, 2002, September 18, 2002, October 24, 2002, April 30, 2003, and August 5, 2003, in each case by and between the County and JPMS.

133. **“JPMorgan GO Claim”** means \$52,185,812.50, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by JPMorgan Chase Bank, N.A.

134. **“JPMorgan Parties”** means, collectively, JPMorgan Chase Bank, N.A., JPMS, and any of their respective affiliates holding Sewer Warrant Claims or Bank Warrant Claims, and for purposes of the definition of Sewer Released Parties, the term JPMorgan Parties shall also include Bear Stearns Capital Markets Inc.

135. **“JPMorgan Sewer Revenue Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Remarketing and Interest Services Agreements*, dated as of February 1, 2002, May 1, 2003, and May 1, 2003, in each case by and between the County and JPMS.

136. **“JPMS”** means J.P. Morgan Securities LLC, formerly known as J.P. Morgan Securities Inc.

137. **“LBSF”** means Lehman Brothers Special Financing Inc.

138. **“LBSF Periodic Payment Claim”** means an asserted Claim of \$1,002,754.42, which allegedly represents the net total periodic payments that had accrued and were due to LBSF at the time of the termination of the LBSF Swap Agreement, plus interest thereon through the Petition Date for a total asserted Claim of \$1,656,230.21.

139. **“LBSF Swap Agreement”** means that certain *ISDA Master Agreement* dated as of October 23, 2002, between the County and LBSF, as subsequently amended via an amendment dated as of September 14, 2006, and together with all schedules, annexes, and confirmations related thereto.

140. **“Liquidity Agent Standby Sewer Warrant Claims”** means any and all Claims of JPMorgan Chase Bank, N.A. in its capacity as liquidity agent under the Standby Sewer Warrant Purchase Agreements, including any and all Claims for reimbursement or indemnification in such capacity.

141. **“List of Creditors”** means the list of Creditors Filed by the County in the Case pursuant to Bankruptcy Code section 924 and Bankruptcy Rule 1007(e), as it has been or subsequently may be modified or amended by the County [Docket Nos. 410 & 932].

142. **“National”** means National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

143. **“National Fees and Expenses Claims”** means any and all Claims on account of fees, expenses, or costs incurred by National prior to the Effective Date that arise from or are related to the Case, the Series 2003-A GO Warrants, the Series 2004-A GO Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses.

144. **“National Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 27, 2013, by and between the County and National.

145. **“National Reimbursement Claims”** means any and all Claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Series 2003-A GO Warrants or on the Series 2004-A GO Warrants during the period from the Petition Date through the Effective Date.

146. **“National Reimbursement Payments”** means the following amounts that are payable, subject to the County’s prepayment rights under Section 2.3(r) of the Plan, on the following dates: (a) \$2,854,321.62 payable on April 1, 2025; (b) \$2,854,321.62 payable on April 1, 2026; and (c) \$2,854,321.63 payable on April 1, 2027.

147. **“New Bank Rate”** means the Prime Rate (as defined in the Standby School Warrant Purchase Agreement) plus 2.25%.

148. **“New Bessemer Lease”** means that certain *Lease Agreement* dated as of January 1, 2013, which the County and the PBA entered into pursuant to the Bessemer Stipulation.

149. **“New First Supplemental Sewer Warrant Indenture”** means that certain First Supplemental Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the Reserve Fund Reimbursement Warrants, the form of which supplemental indenture is included in the Plan Supplement.

150. **“New Sewer Warrant Indenture”** means, collectively, (a) that certain Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the New Sewer Warrants, the form of which trust indenture is included in the Plan Supplement; and (b) the New First Supplemental Sewer Warrant Indenture.

151. **“New Sewer Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as trustee under the New Sewer Warrant Indenture.

152. **“New Sewer Warrants”** means (a) the new sewer warrants issued by the County under the Plan, secured by the collateral specified in the New Sewer Warrant Indenture, and governed by the New Sewer Warrant Indenture, the forms of which sewer warrants are included in the Plan Supplement; and (b) when issued, the Reserve Fund Reimbursement Warrants.

153. **“New Sewer Wrap Policy”** means that certain municipal bond insurance policy to be issued by Assured on the Effective Date guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants (as that term is defined in the New Sewer Warrant Indenture) when due on substantially the terms set forth in the Further Amended Financing Plan and the forms of operative documents to be Filed as part of the Plan Supplement.

154. **“Non-Commutation True-Up Amount”** means an aggregate amount equal to, with respect to each Sewer Warrant held by a Person that elects not to make or is deemed not to make the Commutation Election, the difference between (a) 80% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant, and (b) 65% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant.

155. **“OPEB Plan”** means the single-employer, post-retirement welfare benefit plan sponsored by the County in accordance with the resolution of the County Commission first approved on September 25, 1990, and approved from time to time thereafter.

156. **“OPEB Plan Claims”** means any and all Claims of the OPEB Plan.

157. **“Other Secured Claims”** means any Secured Claims that are not otherwise expressly classified under the Plan.

158. **“Other Specified Sewer Claims”** means any and all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim.

159. **“Other Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements other than any Claims on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements). For the avoidance of doubt, the Other Standby Sewer Warrant Claims include the Liquidity Agent Standby Sewer Warrant Claims and any and all other Claims for reimbursement or indemnification, including with respect to any fees or expenses (including professional fees), of any party (other than the County) to the Standby Sewer Warrant Purchase Agreements.

160. **“Other Unimpaired Claims”** means any and all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims.

161. **“Outstanding Amount”** means, with respect to any series or subseries of non-commuted Sewer Warrants, (a) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on the Effective Date, the outstanding principal (after giving effect to all Distributions contemplated by the Plan) owing on such series or subseries of Sewer Warrants as of the Effective Date; or (b) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on a date after the Effective Date, the sum of (i) the outstanding principal (after giving effect to all Distributions contemplated by the Plan and any principal payments theretofore made by the applicable Sewer Warrant Insurer on or after the Effective Date) owing on such series or subseries of Sewer Warrants as of the date on which the applicable Sewer Warrant Insurer elects to pay outstanding accelerated principal and interest, and (ii) all interest accrued and unpaid on such series or subseries of Sewer Warrants after the Effective Date through the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries.

162. **“Pass-Through Obligation Claims”** means any and all Claims of the Birmingham-Jefferson Civic Center Authority, the State of Alabama, cities, towns, school districts, school boards, and other municipalities for taxes and other funds due to them or to any applicable trustee on their behalf that the County, under applicable state law, has collected on their behalf and is obligated to remit to them or to any applicable trustee on their behalf.

163. **“PBA”** means the Jefferson County Public Building Authority.

164. **“Permanent Injunction”** has the meaning set forth in Section 6.2 of the Plan.

165. **“Person”** means any person or organization created or recognized by law, including any association, company, cooperative, corporation, entity, estate, individual, joint stock company, joint venture, limited liability company, partnership, trust, unincorporated organization, or government or any political subdivision thereof.

166. **“Petition Date”** means November 9, 2011.

167. **“Plan”** means this *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)*, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time by the County in accordance with the terms hereof and Bankruptcy Code section 942.

168. **“Plan Procedures Order”** means 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], as clarified by the *Order Granting Jefferson County’s Motion for Clarification of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9*

Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)”, and (B) Related Confirmation Procedures, Deadlines, and Notices [Docket No. 2102].

169. **“Plan Supplement”** means that certain compilation of documents, forms of documents, schedules, and exhibits that was Filed by the County on September 30, 2013 [Docket No. 2101], as amended and supplemented prior to the Confirmation Hearing.

170. **“Plan Support Agreements”** means, collectively, the Depfa Plan Support Agreement, the GO Plan Support Agreement, the National Plan Support Agreement, and the Sewer Plan Support Agreements, in each case collectively with all exhibits and schedules thereto.

171. **“Plan Support Parties”** means, collectively, Depfa Bank PLC, the GO Plan Support Parties, and the Sewer Plan Support Parties.

172. **“Preserved Claims”** means all Causes of Action of the County, including the Avoidance Actions and other Causes of Action identified on Exhibit A to the Plan, against the Persons identified thereon, but excluding all Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court. The failure to specifically identify in the Disclosure Statement or the Plan any potential or existing Causes of Action as a Preserved Claim is not intended to and shall not limit the rights of the County to pursue any such Causes of Action. The County expressly reserves all Causes of Action, other than those Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court, as Preserved Claims for later adjudication, and no preclusion doctrine (including the doctrines of *res judicata*, collateral estoppel, judicial estoppel, equitable estoppel, issue preclusion, claim preclusion, and laches) shall apply to such Causes of Action as Preserved Claims on or after the Effective Date.

173. **“Primary Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements).

174. **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim to (b) the amount of that Allowed Claim, is the same as the ratio of (x) the amount of consideration available for Distribution on account of all Allowed Claims in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed Claims of that Class.

175. **“Professional Fee Claim”** means a Claim to be satisfied pursuant to Section 2.2(c) of the Plan with respect to amounts to be paid to a professional Person that has been duly retained by the County for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be Allowed or paid by the County if the underlying professional’s retention was by or on behalf of any Person other than the County or was otherwise not properly authorized by the County Commission.

176. **“Rate Resolution”** means the resolution adopted by the County Commission on September 23, 2013, to implement the Approved Rate Structure.

177. **“Receiver”** means John S. Young, Jr., LLC, the receiver appointed in the State Court Receivership Action, and any successor thereto or replacement thereof.

178. **“Receivership Actions”** means the Federal Court Receivership Action and the State Court Receivership Action.

179. **“Refinancing Proceeds”** means the net proceeds generated by the issuance of New Sewer Warrants.

180. **“Reinstated Sewer Warrant Interest Payments”** means all non-default rate interest (with respect to the Bank Warrants, including the Bank Warrants held by the Sewer Warrant Insurers, the Sewer Bank Rate) accrued and unpaid on account of any Sewer Warrants through and including the Effective Date, without providing for any interest on interest; *provided, however*, that any non-default rate interest paid by any of the Sewer Warrant Insurers during the period starting on February 1, 2013, and continuing through and including the Effective Date is not included within the “Reinstated Sewer Warrant Interest Payments,” but instead is part of the “Sewer Warrant Insurers Outlay Amount.”

181. **“Reinstated Sewer Warrant Principal Payments”** means all principal amounts that have become due and payable and remain unpaid (by the County, any Sewer Warrant Insurer, or otherwise) on account of any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, without giving effect to any acceleration or any accelerated redemption schedule (including any accelerated redemption schedule applicable to any Bank Warrants). Any principal amounts that have become or will become due and owing on any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, and that have been paid or are paid by any of the Sewer Warrant Insurers are not included within the “Reinstated Sewer Warrant Principal Payments,” but instead are part of the “Sewer Warrant Insurers Outlay Amount.”

182. **“Reinsurance Claim”** means, with respect to any particular bond or warrant insurance policy, any Claim that has been or could be asserted (directly or indirectly) by any Person that has acted or is acting as a “reinsurer” or in any similar capacity with respect to such insurance policy.

183. **“Rejection Bar Date”** means, with respect to any Rejection Damage Claim, the latest of (a) the first Business Day that is at least thirty (30) calendar days after the later of either (i) the date on which a Rejection Order is entered by the Bankruptcy Court or (ii) the effective date of such Rejection Order; (b) either (i) the General Bar Date or (ii) if the claimant is a governmental unit, the Governmental Unit Bar Date; and (c) solely as to those Rejection Damage Claims arising from the rejection of an unexpired lease or an executory contract under the Plan, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

184. **“Rejection Damage Claim”** means a Claim arising under Bankruptcy Code section 365(g) from the rejection of an unexpired lease or an executory contract.

185. **“Rejection Order”** means an order of the Bankruptcy Court entered prior to the Effective Date and authorizing the County’s rejection of an unexpired lease or an executory contract.

186. **“Related Parties”** means, collectively, (a) any affiliates of a Person, and (b) all of the respective accountants, affiliates, agents, assigns, attorneys, authorities, bankers, consultants, directors, employees, executors, financial advisors, heirs, investment bankers, managers, members, officers, officials, parent entities, partners, predecessors, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present, of such Person and of such Person’s affiliates; *provided, however*, that (x) the County’s Related Parties shall include the County Commission and its members, but shall not include any former County Commissioners or any former employees or officials of the County against which the County has any Preserved Claims; and (y) for the avoidance of doubt, the County’s Related Parties do not include the JPMorgan Parties or any of the JPMorgan Parties’ respective Related Parties.

187. **“Remaining Accumulated Sewer Revenues”** means the amount of Accumulated Sewer Revenues, if any, remaining after providing for the payment of all Reinstated Sewer Warrant Principal Payments, all Reinstated Sewer Warrant Interest Payments, and all Sewer Warrant Insurers Outlay Amount as required by Section 4.6(a) of the Plan.

188. **“Replacement 2001-B GO Warrants”** means replacement warrants to be issued in two series under the Plan, governed by the Amended and Restated GO Warrant Indentures, and named the “General Obligation Warrants, Series 2013-A” and the “General Obligation Warrants, Series 2013-B”, the forms of which warrants are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

189. **“Reserve Fund LOC”** means one or more irrevocable letters of credit to be issued by JPMorgan Chase Bank, N.A. on the Effective Date pursuant to the New First Supplemental Sewer Warrant Indenture for deposit to the debt service reserve fund(s) established under the New Sewer Warrant Indenture.

190. **“Reserve Fund LOC Agreements”** means, collectively, the Reserve Fund LOC and any reimbursement, collateral, or other agreements related to the Reserve Fund LOC, the forms of which agreements are included in the Plan Supplement.

191. **“Reserve Fund Reimbursement Warrants”** means the reserve fund reimbursement warrants issued by the County under the Plan, secured by the collateral specified in the New First Supplemental Sewer Warrant Indenture and any applicable Reserve Fund LOC Agreements, and governed by the New Sewer Warrant Indenture in connection with any draw on the Reserve Fund LOC, the forms of which reserve fund reimbursement warrants are included in the Plan Supplement.

192. **“Retained Amount”** means the sum of \$3,756,625.75 of Education Tax Revenues (as defined in the School Warrant Indenture) retained by the County during the pendency of the Case in the “Jefferson County Limited Obligation Warrant Revenue Account” established under the School Warrant Indenture.

193. **“Retirement System”** means the General Retirement System for Employees of Jefferson County, Alabama, which was established by the Alabama Legislature pursuant to Act Number 497, Acts of Alabama 1965, page 717, and is the administrator of a single-employer, defined benefit pension plan covering substantially all employees of the County.

194. **“Retirement System Claims”** means any and all Claims of the Retirement System.

195. **“Schedule of Assumed Agreements”** means the schedule of executory contracts and unexpired leases that the County will assume on the Effective Date. The initial Schedule of Assumed Agreements was included as part of the initial Plan Supplement; the current Schedule of Assumed Agreements is included as Exhibit B to the Plan, but remains subject to any modifications that may be made prior to the Effective Date pursuant to Section 3.1(a) of the Plan.

196. **“School Debt Claims”** means, collectively, all School Policy – General Claims, all School Surety Reimbursement Claims, all School Warrant Claims, all School Warrant Trustee Fee Claims, and all Subordinated School Claims.

197. **“School Insurance Policies”** means, together, the School Policy – General and the School Surety.

198. **“School Policy – General”** means that certain *Financial Guaranty Insurance Policy* number 23545BE issued by Ambac on or around February 2, 2005.

199. **“School Policy – General Claims”** means any and all Claims arising from or in connection with the School Policy – General, as well as any and all Claims of the School Warrant Insurer or any Transferee of the School Warrant Insurer arising from or in connection with the School Warrant Indenture, including all Claims arising in connection with any Series 2005-A School Warrants or Series 2005-B School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Policy – General, and including any related Reinsurance Claims.

200. **“School Surety”** means that certain *Surety Bond* number SB1982BE issued by Ambac on or around February 2, 2005.

201. **“School Surety Reimbursement Claims”** means any and all Claims arising from or in connection with (a) the School Surety or (b) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac, including all Claims arising in connection with any School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Surety, and including any related Reinsurance Claims.

202. **“School Warrant Claims”** means any and all Series 2004-A School Claims, Series 2005-A School Claims, and Series 2005-B School Claims.

203. **“School Warrant Event of Default”** shall have the meaning ascribed to the term “Event of Default” in, as applicable, the School Warrant Indenture or the Standby School

Warrant Purchase Agreement, and “**School Warrant Events of Default**” shall mean more than one such “Event of Default.”

204. “**School Warrant Indenture**” means that certain *Trust Indenture* dated as of December 1, 2004, between the County and the School Warrant Trustee, as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005.

205. “**School Warrant Insurer**” means Ambac.

206. “**School Warrant Second Supplemental Indenture**” means that certain supplement to the School Warrant Indenture to be executed as of the Effective Date of the Plan, which shall contain the amendments to the School Warrant Indenture effected by the Plan.

207. “**School Warrant Trustee**” means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the School Warrant Indenture.

208. “**School Warrant Trustee Fee Claims**” means any and all Claims of the School Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the School Warrant Indenture.

209. “**School Warrants**” means, collectively, the Series 2004-A School Warrants, the Series 2005-A School Warrants, and the Series 2005-B School Warrants.

210. “**Scotia Bank**” means The Bank of Nova Scotia.

211. “**Secured Claim**” means a Claim, including a Secured Tax Claim and Other Secured Claim, that is secured by a lien on property of the County, which lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the claimholder’s interest in the County’s interest in the collateral or to the extent of the amount subject to setoff against a Claim held by the County, whichever is applicable, and as determined under Bankruptcy Code section 506(a); to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, in the case of a Claim that is not a Special Revenues Claim, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which Secured Claim is a part makes a valid and timely election in accordance with Bankruptcy Code section 1111(b) to have such Claim treated as a Secured Claim to the extent Allowed.

212. “**Secured Tax Claim**” means a governmental unit’s Secured Claim for unpaid taxes.

213. “**Series 1997-A Sewer Claims**” means any and all Claims arising from or in connection with the Series 1997-A Sewer Warrants, other than any Series 1997-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

214. **“Series 1997-A Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 1997-A issued in the original principal amount of \$211,040,000 and insured by FGIC.

215. **“Series 2001-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2001-A Sewer Warrants, other than any Series 2001-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

216. **“Series 2001-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2001-A issued in the original principal amount of \$275,000,000 and insured by FGIC.

217. **“Series 2001-B GO Claims”** means any and all Claims arising from or in connection with the Series 2001-B GO Warrants or the GO Warrant Indenture, including all Standby GO Warrant Claims and all GO Warrant Trustee Fee Claims, but excluding the GO Swap Agreement Claims.

218. **“Series 2001-B GO Warrants”** means those certain General Obligation Warrants, Series 2001-B issued in the original principal amount of \$120,000,000.

219. **“Series 2002-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-A Sewer Warrants together with any and all Claims arising from or in connection with that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A., other than any Series 2002-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

220. **“Series 2002-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2002-A issued in the original principal amount of \$110,000,000 and insured by FGIC.

221. **“Series 2002-C-1 & C-5 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-C-1 Sewer Warrants or the Series 2002-C-5 Sewer Warrants, other than any Series 2002-C-1 Sewer Warrants or Series 2002-C-5 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

222. **“Series 2002-C-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-1-A, C-1-B, C-1-C, and C-1-D, issued in the original principal amount of \$298,800,000, and insured by Syncora.

223. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims”** means any Claims arising from or in connection with the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to

the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, other than any Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

224. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-2, C-3, C-4, C-6, and C-7, issued in the original principal amount of \$442,400,000, and previously insured by Syncora.

225. **“Series 2002-C-5 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-5, issued in the original principal amount of \$98,300,000, and insured by Syncora.

226. **“Series 2003-A GO Claims”** means any and all Claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

227. **“Series 2003-A GO Warrants”** means those certain General Obligation Capital Improvement and Refunding Warrants, Series 2003-A issued in the original principal amount of \$94,000,000 and insured by National.

228. **“Series 2003-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-A Sewer Warrant.

229. **“Series 2003-A Sewer Warrant”** means that certain Sewer Revenue Refunding Warrant, Series 2003-A issued in the original principal amount of \$41,820,000 and presently held by Alabama Water Pollution Control Authority.

230. **“Series 2003-B-1 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-1 Sewer Warrants, other than any Series 2003-B-1 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

231. **“Series 2003-B-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-1-A, B-1-B, B-1-C, B-1-D, and B-1-E, issued in the original principal amount of \$735,800,000, and insured by FGIC.

232. **“Series 2003-B-2 Through B-7 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-2 Through B-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2003-B-2 Through B-7 Sewer Warrants, other than any Series 2003-B-2 Through B-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer

Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

233. **“Series 2003-B-2 Through B-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-2, B-3, B-4, B-5, B-6, and B-7, issued in the original principal amount of \$300,000,000, and previously insured by Syncora.

234. **“Series 2003-B-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants, other than any Series 2003-B-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies. For the avoidance of doubt, the Series 2003-B-8 Sewer Claims include the FGIC Assured-Insured Warrant Claims.

235. **“Series 2003-B-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-8, issued in the original principal amount of \$119,965,000, and insured by Assured.

236. **“Series 2003-C-1 Through C-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-1 Through C-8 Sewer Warrants, other than any Series 2003-C-1 Through C-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

237. **“Series 2003-C-1 Through C-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8, issued in the original principal amount of \$820,000,000, and insured by FGIC.

238. **“Series 2003-C-9 Through C-10 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-9 Through C-10 Sewer Warrants, other than any Series 2003-C-9 Through C-10 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

239. **“Series 2003-C-9 Through C-10 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-9 and C-10, issued in the original principal amount of \$232,025,000, and insured by Assured.

240. **“Series 2004-A GO Claims”** means any and all Claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

241. **“Series 2004-A GO Warrants”** means those certain General Obligation Warrants, Series 2004-A issued in the original principal amount of \$51,020,000 and insured by National.

242. **“Series 2004-A School Claims”** means any and all Claims arising from or in connection with the Series 2004-A School Warrants, other than any Series 2004-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

243. **“Series 2004-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2004-A issued in the original principal amount of \$650,000,000.

244. **“Series 2005-A School Claims”** means any and all Claims arising from or in connection with the Series 2005-A School Warrants, other than any Series 2005-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

245. **“Series 2005-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-A issued in the original principal amount of \$200,000,000 and insured by Ambac.

246. **“Series 2005-B School Claims”** means any and all Claims arising from or in connection with the Series 2005-B School Warrants, including all Standby School Warrant Claims, other than any Series 2005-B School Warrants held or acquired by the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

247. **“Series 2005-B School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-B issued in the original principal amount of \$200,000,000 and insured by Ambac.

248. **“Sewer Bank Rate”** means the “Bank Rate” as that term is defined in the applicable Standby Sewer Warrant Purchase Agreement.

249. **“Sewer Debt Claims”** means, collectively, all Bank Warrant Claims, all Other Specified Sewer Claims, all Other Standby Sewer Warrant Claims, all Primary Standby Sewer Warrant Claims, all Sewer Swap Agreement Claims, all Sewer Warrant Claims, all Sewer Warrant Insurers Claims, all Sewer Warrant Trustee Fee Claims, and all Subordinated Sewer Claims.

250. **“Sewer DSRF Policies”** means, collectively, (a) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (b) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (c) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (d) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005.

251. **“Sewer DSRF Reimbursement Agreements”** means, collectively, (a) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and

between the County and FGIC; (b) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (c) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (d) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured.

252. **“Sewer DSRF Reimbursement Claims”** means any and all Claims arising from or in connection with the Sewer DSRF Reimbursement Agreements or the Sewer DSRF Policies, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under or in connection with any of the Sewer DSRF Policies, and including any related Reinsurance Claims.

253. **“Sewer Insurance Policies”** means, collectively, the Sewer DSRF Policies and the Sewer Wrap Policies.

254. **“Sewer Liquidity Banks”** means, collectively, BNY, Scotia Bank, and State Street, each in its capacity as a liquidity bank with respect to Sewer Warrants, the Bank Warrant Claims, the Primary Standby Sewer Warrant Claims, the Other Standby Sewer Warrant Claims, and the Bank Warrant Default Interest Claims, and not in any other capacity.

255. **“Sewer Plan Support Agreements”** means, collectively, (i) those certain *Plan Support Agreements* among the County and each of the JPMorgan Parties, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders, dated as of June 6, 2013; (ii) that certain *Plan Support Agreement* among the County and the Sewer Liquidity Banks dated as of June 27, 2013; and (iii) that certain *Plan Support Agreement* between the County and LBSF dated as of July 24, 2013, in each case as the same may have been amended, modified, or supplemented in accordance with their respective terms.

256. **“Sewer Plan Support Parties”** means, collectively, the JPMorgan Parties, LBSF, the Sewer Liquidity Banks, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders.

257. **“Sewer Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the LBSF Periodic Payment Claim, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the

Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (e) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks; or (v) the “LBSF Claims” referenced in Section 3 of the Sewer Plan Support Agreement between the County and LBSF); and (f) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

258. **“Sewer Released Parties”** means each of the County, the FGIC Rehabilitator, the Receiver, the Sewer Plan Support Parties, and the Sewer Warrant Trustee.

259. **“Sewer Swap Agreement Claims”** means any and all Claims arising from or in connection with the Sewer Swap Agreements, including with respect to all “Transactions” (as defined in the Sewer Swap Agreements) thereunder, but excluding the LBSF Periodic Payment Claim.

260. **“Sewer Swap Agreements”** means, collectively, (a) the LBSF Swap Agreement; (b) that certain *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A., as subsequently amended via an amendment dated as of July 14, 2003, together with all schedules, annexes, and confirmations related thereto; and (c) that certain *ISDA Master Agreement* dated as of May 1, 2004, between the County and Bear Stearns Capital Markets Inc., together with all schedules, annexes, and confirmations related thereto.

261. **“Sewer System”** means the entire sanitary sewer system owned by the County.

262. **“Sewer Warrant Claims”** means any and all Series 1997-A Sewer Claims, Series 2001-A Sewer Claims, Series 2002-A Sewer Claims, Series 2002-C-1 & C-5 Sewer Claims, Series 2003-A Sewer Claims, Series 2003-B-1 Sewer Claims, Series 2003-B-8 Sewer Claims, Series 2003-C-1 Through C-8 Sewer Claims, and Series 2003-C-9 Through C-10 Sewer Claims. For the avoidance of doubt, (i) the FGIC Assured-Insured Warrant Claims are Sewer Warrant Claims; (ii) any Claims on account of Sewer Warrants held by any of the Sewer Warrant Insurers (other than the FGIC Assured-Insured Warrant Claims) are Sewer Warrant Insurers Claims; and (iii) the Bank Warrant Claims, the Other Standby Sewer Warrant Claims, and the Primary Standby Sewer Warrant Claims are not Sewer Warrant Claims.

263. **“Sewer Warrant Indenture”** means that certain *Trust Indenture* dated as of February 1, 1997, between the County and the Sewer Warrant Trustee, as subsequently supplemented by eleven supplemental indentures dated as of March 1, 1997, March 1, 1999, March 1, 2001, February 1, 2002, September 1, 2002, October 1, 2002, November 1, 2002, January 1, 2003, April 1, 2003, August 1, 2003, and May 1, 2004.

264. **“Sewer Warrant Indenture Funds”** means any funds or accounts that are established by or have any connection to the Sewer Warrant Indenture regardless of the pendency of any dispute concerning whether the Sewer Warrant Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

265. **“Sewer Warrant Insurers”** means, collectively, Assured, FGIC, and Syncora.

266. **“Sewer Warrant Insurers Agreements”** means those certain written agreements of the Sewer Warrant Insurers (to which the County is not a party), each dated as of June 6, 2013, and concerning, among other things, the agreed allocation of certain of the consideration payable under Section 2.3(c) of the Plan and certain commutations and settlements between and among the Sewer Warrant Insurers in respect of the Sewer Warrant Insurers Claims.

267. **“Sewer Warrant Insurers Claims”** means any and all Claims held by the Sewer Warrant Insurers, whatever the origin or nature, including all Sewer Wrap Policy Claims, all Sewer DSRF Reimbursement Claims, and all other Claims held by any Sewer Warrant Insurer arising from or in connection with the Sewer Warrants, the Sewer Warrant Indenture, or the Standby Sewer Warrant Purchase Agreements, but excluding the FGIC Assured-Insured Warrant Claims and the Asserted Full Recourse Sewer Claims. For the avoidance of doubt, Sewer Warrant Insurers Claims include any and all Claims that could be asserted in respect of (a) the Series 2002-A Sewer Warrants in the principal amount of \$101,465,000 owned by FGIC, or (b) the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and Series 2003-B-2 Through B-7 Sewer Warrants in the aggregate principal amount of \$214,191,875.11 owned by Syncora.

268. **“Sewer Warrant Insurers Outlay Amount”** means a sum equal to the amount of any and all payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of Sewer Warrants under any of the Sewer Insurance Policies on or after February 1, 2013, and through the Effective Date, plus interest on the principal portion of such payments, calculated at the underlying Sewer Warrant rate (e.g., 5.25% on the Series 2003-B-8 Sewer Warrants and two (2) times the one month LIBOR rate on the Series 2003-C-9 Through C-10

Sewer Warrants). For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to interest accrued on any Sewer Warrant.

269. **“Sewer Warrant Trustee”** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Sewer Warrant Indenture and as successor to AmSouth Bank of Alabama.

270. **“Sewer Warrant Trustee Fee Claims”** means any and all Claims of the Sewer Warrant Trustee for compensation, disbursements, expenses, fees (including fees of its counsel and experts), or indemnification pursuant to the Sewer Warrant Indenture.

271. **“Sewer Warrant Trustee Residual Fee Estimate”** means (a) the anticipated aggregate amount of reasonable expenses and fees (including reasonable fees of its counsel) that will be incurred by the Sewer Warrant Trustee in connection with the completion of the actions that the Sewer Warrant Trustee is required to take pursuant to Sections 4.6(a), 4.6(b), 4.6(c), 4.7(b), 4.8(c), 4.11 (only with respect to last sentence thereof), 4.15(e)(iv)(A), and 4.15(e)(v) of the Plan (and only such actions), which anticipated amount shall be provided in writing to the County’s counsel on or before the seventh (7th) calendar day after the Confirmation Date; plus (b) an amount not to exceed \$100,000 in respect of any indemnification rights, which amount shall be returned to the County if not used by the tenth (10th) annual anniversary of the Effective Date. The Sewer Warrant Trustee Residual Fee Estimate shall not include (i) any anticipated amounts in respect of the Sewer Wrap Payment Rights Administration Expenses; or (ii) except as set forth above, any amounts or reserves in respect of indemnification rights.

272. **“Sewer Warrant Trustee’s Asserted Recourse Claim”** means the proof of Claim filed by the Sewer Warrant Trustee “in an amount not less than \$85,562,828.31.”

273. **“Sewer Warrants”** means, collectively, the Series 1997-A Sewer Warrants, the Series 2001-A Sewer Warrants, the Series 2002-A Sewer Warrants, the Series 2002-C-1 Sewer Warrants, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, the Series 2002-C-5 Sewer Warrants, the Series 2003-A Sewer Warrant, the Series 2003-B-1 Sewer Warrants, the Series 2003-B-2 Through B-7 Sewer Warrants, the Series 2003-B-8 Sewer Warrants, the Series 2003-C-1 Through C-8 Sewer Warrants, and the Series 2003-C-9 Through C-10 Sewer Warrants. For the avoidance of doubt, all Bank Warrants are also Sewer Warrants.

274. **“Sewer Wrap Payment Rights”** means any rights of a holder of Sewer Warrants against the applicable Sewer Warrant Insurer insuring such holder’s Sewer Warrants to receive any payments under, in connection with, or on account of such Sewer Warrant Insurer’s Sewer Wrap Policies, but only with respect to any Sewer Warrants as to which such holder did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

275. **“Sewer Wrap Payment Rights Administration Expenses”** means the reasonable expenses and fees of the Sewer Warrant Trustee, if any, associated with the pursuit and administration of any Sewer Wrap Payment Rights after the Effective Date, including making demands on the applicable Sewer Warrant Insurer, calculating any amounts due under the applicable Sewer Wrap Policies, and receiving or distributing any funds payable on account

of any Sewer Wrap Payment Rights. The Sewer Warrant Trustee shall provide an estimate in writing of the Sewer Wrap Payment Rights Administration Expenses to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

276. **“Sewer Wrap Policies”** means, collectively, (a) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997, as it may be amended by FGIC’s plan of rehabilitation; (b) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001, as it may be amended by FGIC’s plan of rehabilitation; (c) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002, as it may be amended by FGIC’s plan of rehabilitation; (d) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (e) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003, as it may be amended by FGIC’s plan of rehabilitation; (f) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (g) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (h) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003, as it may be amended by FGIC’s plan of rehabilitation; and (i) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003.

277. **“Sewer Wrap Policy Claims”** means any and all Claims arising from or in connection with the Sewer Wrap Policies, as well as any and all Claims of any of the Sewer Warrant Insurers or any Transferee of any of the Sewer Warrant Insurers arising from or in connection with the Sewer Warrant Indenture, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claims under or in connection with any of the Sewer Wrap Policies, and including any related Reinsurance Claims. For the avoidance of doubt, the Sewer Wrap Policy Claims do not include the Sewer DSRF Reimbursement Claims.

278. **“Special Revenues Claim”** means a Claim payable solely from “special revenues” (as defined in Bankruptcy Code section 902(2)) under applicable nonbankruptcy law, including all School Debt Claims and all Sewer Debt Claims.

279. **“Standby GO Warrant Claims”** means any and all Claims arising from or in connection with the Standby GO Warrant Purchase Agreement.

280. **“Standby GO Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the GO Warrant Trustee, and the GO Banks, as subsequently amended by that certain *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004.

281. **“Standby School Warrant Claims”** means any and all Claims of Depfa Bank PLC arising from or in connection with the Standby School Warrant Purchase Agreement.

282. **“Standby School Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005, among the County, the School Warrant Trustee, and Depfa Bank PLC.

283. **“Standby Sewer Warrant Purchase Agreements”** means, collectively, (a) that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A.; (b) those certain *Standby Warrant Purchase Agreements* dated as of October 1, 2002, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, and Regions Bank; and (c) those certain *Standby Warrant Purchase Agreements* dated as of May 1, 2003, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of Société Générale, New York Branch, BNY, State Street, and Lloyds TSB Bank plc.

284. **“State Court Receivership Action”** means *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Civil Action No. CV-2009-02318, pending in the Circuit Court of Jefferson County, Alabama.

285. **“State Street”** means State Street Bank and Trust Company.

286. **“Subordinated Claim”** means a Claim that is determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c), including all Subordinated General Claims, Subordinated School Claims, and Subordinated Sewer Claims.

287. **“Subordinated General Claims”** means any and all Claims that represent general obligations of the County and are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 5-A, Class 5-B, Class 5-C, Class 5-D, or Class 5-E that are Allowed under the Plan are not Subordinated General Claims or subject to subordination.

288. **“Subordinated School Claims”** means any and all School Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) and 510(c). For the avoidance of doubt, all Claims in Class 2-A, Class 2-B, Class 2-C, Class 2-D, or Class 2-E that are Allowed under the Plan are not Subordinated School Claims or subject to subordination.

289. **“Subordinated Sewer Claims”** means any and all Sewer Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 1-A, Class 1-B, Class 1-C, or Class 1-D that are Allowed under the Plan are not Subordinated Sewer Claims or subject to subordination.

290. **“Supporting Sewer Warrantholder Directed Distribution”** has the meaning set forth in Section 4.9(b) of the Plan.

291. **“Supporting Sewer Warrantholder Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 6, 2013, by and among County, JPMorgan Chase Bank, N.A., and the Supporting Sewer Warrantholders from time to time party thereto.

292. **“Supporting Sewer Warrantholders”** means each of those Persons that owns, or manages or advises accounts or funds that own, Sewer Warrants and that is or becomes a signatory to the Supporting Sewer Warrantholder Plan Support Agreement.

293. **“Syncora”** means Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc.

294. **“Syncora Settlement Agreement”** means that certain *Settlement Agreement* by and among JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, Regions Bank, BNY, State Street, Lloyds TSB Bank, plc, as liquidity banks under the Standby Sewer Warrant Purchase Agreements, and Syncora, dated as of April 7, 2010, collectively with any exhibits thereto and any ancillary documents associated therewith.

295. **“Tail Risk”** means the claim exposure of each of the Sewer Warrant Insurers under the applicable Sewer Wrap Policies that remains after the Effective Date (after giving effect to the County’s payment of the Non-Commutation True-Up Amount to the Sewer Warrant Insurers, but without taking into account any reduction in FGIC’s payment obligations pursuant to any plan of rehabilitation for FGIC) based on (a) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders that elected not to make or were deemed not to make the Commutation Election, *less* the Distributions made to such holders pursuant to Option 2 of Section 2.3(a) of the Plan; and (b) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders of Series 2003-C-9 Through C-10 Sewer Warrants insured by Assured that are deemed to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, *less* the Distributions made to such holders pursuant to Option 1 of Section 2.3(a) of the Plan.

296. **“Tax Abatement Agreement Claims”** means any and all Claims arising from or in connection with the Tax Abatement Agreements.

297. **“Tax Abatement Agreements”** means any agreement pursuant to which any sales tax, use tax, recording tax, non-educational *ad valorem* tax, or other tax has been or currently is being abated under the Tax Incentive Reform Act of 1992, codified at Alabama Code section 40-9B-1, *et seq.*

298. **“Transferee”** means any Person that, after the Petition Date, obtained or obtains any beneficial interest in all or any part of a particular Claim, whether by way of assignment, bequest, foreclosure, hypothecation, lien, mortgage, pledge, sale, or other method of “transfer” as that word is defined in Bankruptcy Code section 101(54).

299. **“True-Up Amount”** means a sum equal to the aggregate amount of any interest paid on account of any Series 2005-B School Claims during the period between August 31,

2013, and the Effective Date at a rate higher than the New Bank Rate, as agreed by and acceptable to Depfa Bank PLC and the County.

300. **“True-Up Amount Certificate”** means a certificate delivered to the School Warrant Trustee pursuant to Section 2.3(i) of the Plan confirming the amount of the True-Up Amount and directing the School Warrant Trustee to implement the provisions of the Plan reducing the principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants.

301. **“Unclaimed Distribution”** means any Distribution other than an Undeliverable Distribution with respect to which the County tenders a distribution check and that distribution check is not cashed within forty-five (45) calendar days after its issuance date.

302. **“Undeliverable Distribution”** means any Distribution with respect to which the County tenders a distribution check and that distribution check is returned as undeliverable.

303. **“Uninsured Portion”** means the portion of an Allowed General Liability Claim that is not the Insured Portion.

304. **“Unliquidated Claim”** means a Claim that is listed on the List of Creditors as unliquidated.

305. **“Unused Covered Tail Risk Amount”** means an amount equal to the positive difference between \$25 million and the aggregate Covered Tail Risk that the County is required to pay on the Effective Date pursuant to the Plan; *provided, however*, that the Unused Covered Tail Risk Amount shall in no event exceed the lesser of (a) \$750,000 and (b) the estimated amount of the Sewer Wrap Payment Rights Administration Expenses to be provided by the Sewer Warrant Trustee to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

306. **“Wilson Action”** means, together, that certain adversary proceeding styled as *Charles E. Wilson, et al. v. JPMorgan Chase & Co., et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 11-00433 (Bankr. N.D. Ala.), and the counts remaining in that certain action styled as *Wilson v. Bank of America, et al.* Circuit Court of Jefferson County, Alabama, Birmingham Division, Case No. CV-2008-901907.00.

307. **“Workers Compensation Claims”** means any and all Claims pursuant to Alabama workers compensation law of Persons who suffered an eligible injury while employed by the County or by the State of Alabama and for which Claims the County is liable for payment by agreement or applicable law.

Section 1.2. Interpretation; Rules of Construction; Computation of Time.

(a) **Defined Terms.** Any term used in the Plan or the Plan’s Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

(b) Rules of Interpretation and Construction.

1. The definition given to any term or provision in the Plan or the Plan's Exhibits supersedes and controls any different meaning that may be given to that term or provision in the Disclosure Statement, on any Ballot, or in any Plan Support Agreement.
2. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.
3. All references in the Plan and the Plan's Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.
4. Whenever the Plan or the Plan's Exhibits use the word "including," such reference shall be deemed to mean "including, without limitation,".
5. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.
6. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or supplement (including the Plan Support Agreements as they may be applicable to any amendment or supplement of the Plan).
7. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.
8. Unless otherwise indicated, the phrase "under the Plan" and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.
9. Unless otherwise specified, all references to "Articles," "Exhibits," "Schedules," or "Sections" are references to articles, exhibits, schedules, and sections of or to the Plan.
10. The words "herein," "hereof," "hereto," "hereunder," "herewith," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.
11. Captions and headings to articles and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.
12. Whenever the Plan or the Plan's Exhibits provides that a document or thing must be "acceptable" or "satisfactory" to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

13. All other rules of construction set forth in Bankruptcy Code section 102 apply to the Plan and the Plan's Exhibits to the extent not inconsistent with this Section 1.2.

(c) **Time Periods.** In computing any period of time prescribed or allowed by the Plan or the Plan's Exhibits, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS

Section 2.1. Summary and Classification of Claims.

This Section classifies Claims – except for Administrative Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims	Unimpaired	Not Entitled to Vote
Class 1-A	Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-B	Bank Warrant Claims and Primary Standby Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-C	Sewer Warrant Insurers Claims	Impaired	Entitled to Vote
Class 1-D	Other Specified Sewer Claims	Impaired	Entitled to Vote
Class 1-E	Sewer Swap Agreement Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 1-F	Other Standby Sewer Warrant Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 2-A	Series 2004-A School Claims	Impaired	Entitled to Vote
Class 2-B	Series 2005-A School Claims	Impaired	Entitled to Vote
Class 2-C	Series 2005-B School Claims and Standby School Warrant Claims	Impaired	Entitled to Vote
Class 2-D	School Policy – General Claims	Impaired	Entitled to Vote
Class 2-E	School Surety Reimbursement Claims	Impaired	Entitled to Vote

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
Class 3-A	Board of Education Lease Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3-B	Board of Education Lease Policy Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 4	Other Secured Claims, including Secured Tax Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-A	Series 2001-B GO Claims and Standby GO Warrant Claims	Impaired	Entitled to Vote
Class 5-B	Series 2003-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-C	Series 2004-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-D	GO Policy Claims	Impaired	Entitled to Vote
Class 5-E	GO Swap Agreement Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Entitled to Vote
Class 7	Bessemer Lease Claims	Impaired	Entitled to Vote
Class 8	Other Unimpaired Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 9	Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.

The treatment in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any liens, encumbrances, charges, and interests) that each Person holding a Claim may have or assert against the County or its property. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may otherwise have or assert against the County or its property. Other than the Reinstated Sewer Warrant Interest Payments, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter to the remaining portion of such Allowed Claim, if any; *provided, however*, that the County's treatment of any Distributions for its tax purposes will not be binding on any Creditor as to the treatment of such Distributions for any regulatory, tax, or other purposes.

Section 2.2. Allowance and Treatment of Administrative Claims.

(a) Allowance of Administrative Claims.

(i) Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed by the County, Administrative Claims will be Allowed only if:

- (A) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim both Files with the Bankruptcy Court and serves on the County a motion requesting allowance of the Administrative Claim; and
- (B) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Claim.

The County or any other party in interest may File an objection to such motion within sixty (60) calendar days after the expiration of the Administrative Claims Bar Date, unless such time period for filing such objection is extended by the Bankruptcy Court. **THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY DISTRIBUTED PURSUANT TO THE PLAN.**

(ii) Cure Payments.

Cure Payments shall be Allowed in accordance with the procedures set forth in Section 3.1(b).

(iii) 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed by the County, a 503(b)(9) Claim will be Allowed only if:

- (A) The 503(b)(9) Claim is Filed by the 503(b)(9) Bar Date, or is deemed timely Filed; and
- (B) If an objection to such 503(b)(9) Claim is Filed by a party in interest on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is an Allowed 503(b)(9) Claim.

PURSUANT TO THE BAR DATE ORDER, ALL PERSONS HOLDING 503(b)(9) CLAIMS THAT DID NOT TIMELY FILE SUCH CLAIMS BY THE 503(b)(9) BAR

DATE ARE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING THOSE CLAIMS AGAINST THE COUNTY OR ITS PROPERTY.

(b) Treatment of Administrative Claims.

(i) Administrative Claims Generally.

Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order.

(ii) Cure Payments.

Cure Payments will be made to the non-debtor parties to the subject executory contracts or unexpired leases in accordance with Section 3.1.

(iii) 503(b)(9) Claims.

Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim to be an Allowed 503(b)(9) Claim becomes a Final Order.

(c) Professional Fees.

Pursuant to Bankruptcy Code section 943(b)(3), all amounts to be paid for services or expenses in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable. There shall be paid to each holder of a Professional Fee Claim in full, final, and complete settlement, satisfaction, release, and discharge of such Claim, Cash in an amount equal to the portion of such Professional Fee Claim that the Bankruptcy Court determines is reasonable on or as soon as is reasonably practicable following the date on which the Bankruptcy Court enters an order determining reasonableness. The County, in the ordinary course of its business, and without the requirement for Bankruptcy Court approval, may pay for professional services rendered and expenses incurred following the Effective Date.

(d) Administrative Tax Claims.

Notwithstanding anything to the contrary in the Plan or in the Confirmation Order, a governmental unit shall not be required to file, make, or submit a request for payment (or any document, including a bill) of an expense described in Bankruptcy Code section 503(b)(1)(B) or (C) as a condition of its being an Allowed Administrative Claim, and the County shall pay in full all such Allowed Administrative Claims, including any interest related thereto, when due.

(e) **No Other Priority Claims.**

The only category of priority Claim incorporated into a chapter 9 case through Bankruptcy Code section 901(a) are Administrative Claims allowable under Bankruptcy Code section 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described in Section 2.2(b) above. No other kinds of priority claims set forth in Bankruptcy Code section 507 are recognized or entitled to priority in chapter 9 or in this Case, but rather are treated in chapter 9 and in this Case and classified in the Plan as General Unsecured Claims.

Section 2.3. Classification and Treatment of Classified Claims.

(a) **Class 1-A (Sewer Warrant Claims).**

Class 1-A consists of all Sewer Warrant Claims. Class 1-A is Impaired under the Plan. Class 1-A Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants giving rise to Class 1-A Claims and (ii) the amount of any Reinstated Sewer Warrant Principal Payments and Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants giving rise to Class 1-A Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-A Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-A Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete

settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims; and (ii) the retention of Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring such holder's Sewer Warrants, which Sewer Wrap Payment Rights shall not be waived or impaired.

- B. Regardless of the option selected, each holder of an Allowed Class 1-A Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Principal Payments and any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the non-default rate on any Sewer Warrants after the Petition Date and (ii) any interest on interest on any Sewer Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-A Claims that make the Commutation Election as provided in this Section 2.3(a) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A Claims and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election with respect to all Sewer Warrants held by each of the JPMorgan Parties and each Supporting Sewer Warrantholder, subject to the exceptions contained in Section 3(e) of the Supporting Sewer Warrantholder Plan Support Agreement.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-A Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(a) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(b) **Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims).**

Class 1-B consists of all Bank Warrant Claims and (to the extent not otherwise included) all Primary Standby Sewer Warrant Claims. Class 1-B is Impaired under the Plan. Class 1-B Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Bank Warrants giving rise to Class 1-B Claims; and (ii) the amount of any Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Bank Warrants giving rise to Class 1-B Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-B Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-B Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-B Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-B Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims (including any Bank Warrant Default Interest Claims) and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties; or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, a Distribution (x) on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants and (y) on the first Business Day that is at least thirty (30) calendar days after the entry of a Final Order allowing such Claims, of Cash from a reserve account to be funded on the Effective Date from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of any Allowed Bank Warrant Default Interest Claims held by such holder in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims.

- B. Regardless of the option selected, each holder of an Allowed Class 1-B Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the Sewer Bank Rate on any Bank Warrants after the Petition Date and (ii) any interest on interest on any Bank Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-B Claims that make the Commutation Election as provided in this Section 2.3(b) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election and to waive any Bank Warrant Default Interest Claims held by such JPMorgan Party, Sewer Liquidity Bank, and Supporting Sewer Warrantholder, as applicable, with respect to all Bank Warrants held by each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-B Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

No additional or other Distributions will be made under the Plan to any Person on account of the Primary Standby Sewer Warrant Claims (to the extent not otherwise included within the Bank Warrant Claims).

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(b) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(c) **Class 1-C (Sewer Warrant Insurers Claims).**

Class 1-C consists of all Sewer Warrant Insurers Claims. Class 1-C is Impaired under the Plan. Class 1-C Claims shall be Allowed on the Effective Date in an aggregate amount, without duplication, equal to the sum of (i) the amount of the Sewer Warrant Insurers Claims, (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants held by the Sewer Warrant Insurers, and (iii) the Sewer Warrant Insurers Outlay Amount, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

The holders of Allowed Class 1-C Claims shall receive from or on behalf of the County on the Effective Date, in full, final, and complete settlement, satisfaction, release, and exchange of each such holder's Class 1-C Claims:

(i) subject to the reductions set forth in Section 2.3(c)(vi) below, an aggregate Distribution of \$165,000,000 in Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurers Agreements;

(ii) a separate aggregate Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be equal to the Non-Commutation True-Up Amount attributable to

all Sewer Warrants insured by each Sewer Warrant Insurer under a Sewer Wrap Policy and held by Persons that elected not to make or were deemed not to make the Commutation Election;

(iii) a payment in full from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to each Sewer Warrant Insurer's Covered Tail Risk;

(iv) subject to the reductions set forth in Section 2.3(c)(vi) below, Distributions of Cash on account of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, in each case if applicable and if any, in accordance with Section 4.6(a);

(v) any Excess Refinancing Proceeds to which the Sewer Warrant Insurers are entitled pursuant to and in accordance with Section 4.19; and

(vi) subject to the issuance of the New Sewer Wrap Policy by Assured, the amounts otherwise distributable (A) to Syncora pursuant to Section 2.3(c)(iv) above shall be reduced by the sum of \$12,250,000; and (B) to FGIC pursuant to (1) Section 2.3(c)(i) above shall be reduced by the sum of \$8,500,000, and (2) Section 2.3(c)(iv) above on account of the Series 2002-A Sewer Warrants held by FGIC shall be reduced by the sum of \$5,500,000.

As part of the global settlement implemented under the Plan, the Sewer Warrant Insurers will be deemed to waive and release all Bank Warrant Default Interest Claims.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-C Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(c) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(d) Class 1-D (Other Specified Sewer Claims).

Class 1-D consists of all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim. Class 1-D is Impaired under the Plan.

All Claims in Class 1-D will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 1-D Claims, and as part of the global settlement between the County and the Sewer Released Parties implemented pursuant to the Plan, on the Effective Date the County shall pay (i) \$10.00 to JPMS and (ii) \$1,250,000.00 to LBSF, in each case from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof. By its acceptance of or non-

objection to confirmation of the Plan, JPMS shall have consented and agreed, pursuant to Bankruptcy Code section 1123(a)(4), to receive less favorable treatment than LBSF on account of its Allowed Class 1-D Claim.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-D Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(d) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(e) **Class 1-E (Sewer Swap Agreement Claims).**

Class 1-E consists of all Sewer Swap Agreement Claims. Class 1-E is Impaired under the Plan.

The holders of Sewer Swap Agreement Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-E Claims nor will such holders retain any property on account of such Claims, Class 1-E is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-E are not entitled to vote to accept or reject the Plan on account of such Claims.

(f) **Class 1-F (Other Standby Sewer Warrant Claims).**

Class 1-F consists of all Other Standby Sewer Warrant Claims. Class 1-F is Impaired under the Plan.

The holders of Other Standby Sewer Warrant Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-F Claims nor will such holders retain any property on account of such Claims, Class 1-F is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-F are not entitled to vote to accept or reject the Plan on account of such Claims.

(g) **Class 2-A (Series 2004-A School Claims).**

Class 2-A consists of all Series 2004-A School Claims. Class 2-A is Impaired under the Plan.

All Claims in Class 2-A will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A School Claims subject to subordination under

Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-A Claim will on account of such holder's Class 2-A Claim retain all of such holder's rights and interests in its Series 2004-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2004-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2004-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-A Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-A Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2004-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-A Claims.

(h) Class 2-B (Series 2005-A School Claims).

Class 2-B consists of all Series 2005-A School Claims. Class 2-B is Impaired under the Plan.

All Claims in Class 2-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2005-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-B Claim will on account of such holder's Class 2-B Claim retain all of such holder's rights and interests in its Series 2005-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2005-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2005-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School

Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.

- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any “orderly liquidation authority” under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-B Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-B Claims on account of the County’s retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the “Jefferson County Limited Obligation School Warrant Revenue Account” established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee’s rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2005-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-B Claims.

(i) **Class 2-C (Series 2005-B School Claims and Standby School Warrant Claims).**

Class 2-C consists of all Series 2005-B School Claims and (to the extent not otherwise included) all Standby School Warrant Claims. Class 2-C is Impaired under the Plan.

All Claims in Class 2-C will be Allowed on the Effective Date. Each holder of an Allowed Class 2-C Claim will on account of such holder's Class 2-C Claim retain all of such holder's rights and interests in its Series 2005-B School Warrants, which will be repaid on the terms and conditions set forth in School Warrant Indenture and the Standby School Warrant Purchase Agreement, in each case as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture and the Standby School Warrant Purchase Agreement shall be modified on the Effective Date in the following respects:

- (i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the New Bank Rate.
- (ii) All School Warrant Events of Default under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (iii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, February 11, 2013, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013, and the Effective Date shall be deemed waived and of no further force or effect: (A) the pendency of the Case; (B) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the County's retention of the Retained Amount in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Case notwithstanding any contrary provision of the School Warrant Indenture. In addition, all School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant

Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the Effective Date shall be deemed waived and of no further force or effect: (x) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; and (y) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

- (iv) Provided that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, each holder of a Class 2-C Claim shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including under the School Insurance Policies. For the avoidance of doubt, if any School Warrant Events of Default (other than those waived pursuant to the provisions described in clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, the holders of Class 2-C Claims will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby School Warrant Purchase Agreement from and after the occurrence of such School Warrant Events of Default. The County will represent at the Confirmation Hearing that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) have occurred under the School Warrant Indenture or the Standby School Warrant Purchase Agreement during the period between February 11, 2013, and the date on which the Confirmation Hearing begins and will request that the Bankruptcy Court include such a finding in the Confirmation Order.
- (v) At least five (5) Business Days prior to the first interest payment date after the Effective Date, the County shall provide the True-Up Certificate to the School Warrant Trustee and direct the School Warrant Trustee: (X) to reduce the aggregate outstanding principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants, and (Y) to subtract the remainder of the True-Up Amount (after giving effect to the principal reduction referenced in clause (X) of this sentence) from the interest otherwise payable on such interest payment date on account of the Series 2005-B School Warrants. Holders of the Series 2005-B School Warrants shall take such actions as may be reasonably requested by the School Warrant Trustee to implement the principal reduction by the True-Up Amount as described herein.
- (vi) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School

Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

- (vii) If the County causes a remarketing of or restructuring of any of the outstanding Series 2005-B School Warrants under the School Warrant Indenture, such remarketing or restructuring shall be for no less than 100% of such outstanding Series 2005-B School Warrants and the Standby School Warrant Purchase Agreement shall be replaced or cancelled contemporaneously with the closing of such remarketing or restructuring, thereby relieving Depfa Bank PLC from its obligations to provide liquidity support with respect to the Series 2005-B School Warrants. For the avoidance of doubt, the preceding sentence is intended to prohibit the County from remarketing or restructuring a portion of the Series 2005-B Warrants and leaving the Standby School Warrant Purchase Agreement in place; further, the preceding sentence is intended to require the County to remarket or restructure the Series 2005-B School Warrants on an all or none basis

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-C Claims shall consent to the execution of the School Warrant Second Supplemental Indenture, in a form acceptable to Depfa Bank PLC, by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-C Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

(j) Class 2-D (School Policy – General Claims).

Class 2-D consists of all School Policy – General Claims. Class 2-D is Impaired under the Plan.

All Claims in Class 2-D will be Allowed on the Effective Date. Notwithstanding anything to the contrary in the School Policy – General, the School Warrant Indenture, or the

Standby School Warrant Purchase Agreement, the holders of Class 2-D Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-D Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(k) Class 2-E (School Surety Reimbursement Claims).

Class 2-E consists of all School Surety Reimbursement Claims. Class 2-E is Impaired under the Plan.

All Claims in Class 2-E will be Allowed on the Effective Date. Notwithstanding anything to the contrary in (i) the School Surety; (ii) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac; (iii) the School Warrant Indenture; or (iv) the Standby School Warrant Purchase Agreement, the holders of Class 2-E Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-E Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(l) Class 3-A (Board of Education Lease Claims).

Class 3-A consists of all Board of Education Lease Claims. Class 3-A is not Impaired under the Plan.

All Claims in Class 3-A will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-A Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. The holders of Board of Education Lease Warrants shall retain all of their limited payment rights and recourse against the collateral securing obligations under the Board of Education Lease Indenture. Consistent with the Board of Education Lease Indenture, the County has no general liability on account of the Board of Education Lease Claims, which fact will be unaltered by the Plan. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-A Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-A Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-A Claims. For the avoidance of doubt, the rights of the Board of Education

Lease Trustee under the Board of Education Lease Indenture, including in respect of any unpaid Board of Education Lease Trustee Fee Claims, are unimpaired by the Plan.

(m) Class 3-B (Board of Education Lease Policy Claims).

Class 3-B consists of all Board of Education Lease Policy Claims. Class 3-B is not Impaired under the Plan.

All Claims in Class 3-B will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-B Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-B Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-B Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-B Claims.

(n) Class 4 (Other Secured Claims, including Secured Tax Claims).

Class 4 consists of all Other Secured Claims, including all Secured Tax Claims. Each Class 4 Claim shall constitute its own subclass. Class 4 is not Impaired under the Plan.

All Claims in Class 4 will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 4 Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. Unless the holder of an Allowed Class 4 Claim in a particular Class 4 subclass agrees to other treatment, on or as soon as is reasonably practicable after the Effective Date, such holder shall receive, at the County's option: (i) Cash in the Allowed amount of such holder's Allowed Class 4 Claim; (ii) the return of the collateral securing such Allowed Class 4 Claim, without representation or warranty by or recourse against the County; or (iii) (A) the cure of any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to such holder's Allowed Class 4 Claim, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (B) the reinstatement of the maturity of such Allowed Class 4 Claim as the maturity existed before any default, without recognition of any default rate of interest or similar penalty or charge; and (C) its unaltered legal, equitable, and contractual rights with respect to such Allowed Class 4 Claim.

The Bankruptcy Court shall retain jurisdiction to determine the amount necessary to satisfy any Allowed Class 4 Claim for which treatment is elected under clause (i) or clause (iii) of the immediately foregoing paragraph. With respect to any Allowed Class 4 Claim for which treatment is elected under clause (i), any holder of such Allowed Class 4 Claim shall release (and by the Confirmation Order shall be deemed to release) all liens against property of the County.

(o) **Class 5-A (Series 2001-B GO Claims and Standby GO Warrant Claims).**

Class 5-A consists of all Series 2001-B GO Claims and (to the extent not otherwise included) all Standby GO Warrant Claims. Class 5-A is Impaired under the Plan.

All Claims in Class 5-A will be Allowed on the Effective Date. However, with the exception of Claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of the BLB GO Claim and the JPMorgan GO Claim), the additional settlement payments set forth in this Section 2.3(o), and the reasonable fees and expenses of the GO Warrant Trustee, the GO Warrant Trustee and the GO Banks will waive and release all other asserted Claims in Class 5-A, including on account of default rate interest, the GO Banks' fees and expenses, and postpetition interest, which will receive no Distribution under the Plan.

On the Effective Date each holder of an Allowed Class 5-A Claim shall receive, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Series 2001-B GO Claims, the following: (1) Cash in the amount of \$123,291.67, to be distributed as specified in Exhibit A to the GO Plan Support Agreement; and (2) a Pro Rata Distribution of Replacement 2001-B GO Warrants, which will be repaid on the terms set forth in the Amended and Restated GO Warrant Indentures. In addition, the County shall pay the following amounts in Cash on the Effective Date as consideration for the settlement, waiver, and release of additional prepetition Claims under the Standby GO Warrant Purchase Agreement: \$500,000 payable to BLB and \$250,000 payable to JPMorgan Chase Bank, N.A.; *provided, however*, that (x) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to BLB pursuant to this sentence; and (y) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to JPMorgan Chase Bank, N.A. pursuant to this sentence; *provided, further*, that the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants and netted against the amounts payable to BLB and JPMorgan Chase Bank, N.A. pursuant to this sentence shall not exceed \$50,000 in the aggregate.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2001-B GO Warrants and the Replacement 2001-B GO Warrants.

In accordance with the GO Warrant Indenture, the County shall pay all reasonable fees and expenses of the GO Warrant Trustee, including the reasonable fees and expenses of its agents and counsel, in Cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) Business Days after the Effective Date. Nothing in the Plan is intended to or will affect the rights and priorities granted to the GO Warrant Trustee pursuant to Sections 12.3(b) and 13.7(b) of the GO Warrant Indenture.

(p) Class 5-B (Series 2003-A GO Claims).

Class 5-B consists of all Series 2003-A GO Claims. Class 5-B is not Impaired under the Plan.

All Claims in Class 5-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2003-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-B Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-B Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2003-A and in its Series 2003-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants, the Series 2003-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2003-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2003-A GO Warrants.

(q) Class 5-C (Series 2004-A GO Claims).

Class 5-C consists of all Series 2004-A GO Claims. Class 5-C is not Impaired under the Plan.

All Claims in Class 5-C will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-C Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-C Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2004-A and in its Series 2004-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such

treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2004-A GO Warrants, the Series 2004-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2004-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2004-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2004-A GO Warrants.

(r) **Class 5-D (GO Policy Claims).**

Class 5-D consists of all GO Policy Claims. Class 5-D is Impaired under the Plan.

All Claims in Class 5-D will be Allowed on the Effective Date, and National shall receive the following payments, in full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-D Claims:

(i) the County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(ii) the County will pay \$2,880,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(iii) the County will pay \$2,965,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015;

(iv) as a compromise and settlement of the National Fees and Expenses Claims, the County will pay National \$1,500,000 in Cash on the Effective Date;

(v) as a compromise and settlement of the National Reimbursement Claims, including National's contention that the National Reimbursement Claims constitute a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the National Reimbursement Payments; *provided, however,* that at any time on or after Effective Date, the County shall have the option to prepay the National Reimbursement Payments in whole or in part without premium or penalty, which prepayment option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the National Reimbursement Payments that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date; and

(vi) The County's obligations to National under the Plan (other than with respect to payment of the National Reimbursement Payments, which obligations will bear no interest) will bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

From and after the Effective Date, the GO Insurance Policies and the GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants and the Series 2004-A GO Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the GO Insurance Policies.

(s) **Class 5-E (GO Swap Agreement Claims).**

Class 5-E consists of all GO Swap Agreement Claims. Class 5-E is Impaired under the Plan.

All Claims in Class 5-E will be Allowed on the Effective Date in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-E Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMorgan Chase Bank, N.A. \$10.00.

(t) **Class 6 (General Unsecured Claims).**

Class 6 consists of all General Unsecured Claims. Class 6 is Impaired under the Plan.

Holders of Allowed Class 6 Claims will receive a Pro Rata Distribution from the General Unsecured Claims Pool on the GUC Payment Date.

Notwithstanding the foregoing, on the Effective Date, (i) JPMS will waive and release any and all rights to receive any Distribution under the Plan on account of the JPMorgan Asserted Recourse Indemnification Claims; (ii) the Sewer Warrant Insurers will waive and release any all rights to receive any Distribution under the Plan on account of their respective Asserted Full Recourse Sewer Claims; and (iii) no Distribution will be made under the Plan on account of the Sewer Warrant Trustee's Asserted Recourse Claim. For the avoidance of doubt, no Asserted Full Recourse Sewer Claims shall be allowed under the Plan, and the County reserves all its rights to dispute any Asserted Full Recourse Sewer Claims that are not waived and released under the Plan (including with respect to the allowance, amount, and priority of any such Claims) after the Effective Date.

(u) **Class 7 (Bessemer Lease Claims).**

Class 7 consists of all Bessemer Lease Claims. Class 7 is Impaired under the Plan.

All Claims in Class 7 will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of the Bessemer Lease Claims, the County shall recognize and perform all of its obligations under the Bessemer Stipulation, including with respect to the New Bessemer Lease. The holders of Class 7 Claims will not receive any additional or other Distributions under the Plan beyond those that such holders receive as a result of the County's performance under the Bessemer Stipulation.

(v) **Class 8 (Other Unimpaired Claims).**

Class 8 consists of all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims. Class 8 is not Impaired under the Plan.

Notwithstanding any other term or provision of the Plan, the legal, equitable, and contractual rights of the holders of Class 8 Claims are unaltered by the Plan, and the Plan leaves unaltered the legal, equitable, and contract rights of all Persons with respect to the Other Unimpaired Claims. Without limitation, the County retains all Causes of Action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Other Unimpaired Claims.

(w) **Class 9 (Subordinated Claims).**

Class 9 consists of all Subordinated Claims. Class 9 is Impaired under the Plan.

The holders of Subordinated Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 9 Claims nor will such holders retain any property on account of such Claims, Class 9 is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 9 are not entitled to vote to accept or reject the Plan on account of such Claims.

Section 2.4. Impaired Classes to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each holder of a Claim in an Impaired Class as of the Ballot Record Date shall be entitled to vote to accept or reject the Plan as provided in the Plan Procedures Order, or in any other order or orders of the Bankruptcy Court.

Section 2.5. Classification Controversies.

(a) If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

(b) If the Bankruptcy Court finds that the classification of any Claim other than a Sewer Debt Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan.

(c) If the Bankruptcy Court finds that the classification of any Sewer Debt Claim is improper, then, subject to Section 2.5(d), such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in the Class (which may or may not be a Class presently set forth in Section 2.3) in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan, and the holder of such Claim shall receive the same treatment under the Plan as is presently set forth in the Class from which such Claim was reclassified.

(d) If as a result of the reclassification of any Sewer Debt Claim pursuant to Section 2.5(c), or in connection with any amendment to the Plan or otherwise, the Plan is no longer an "Acceptable Plan" for purposes of any Sewer Plan Support Agreement, then notwithstanding Section 2.5(c), all Ballots cast as required by such Sewer Plan Support Agreement shall be deemed withdrawn, null, and void unless the voting party to the applicable Sewer Plan Support Agreement has reaffirmed its Ballot in writing. Nothing in this Section 2.5 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement.

Section 2.6. No Section 1111(b)(2) Elections.

Pursuant to Bankruptcy Code section 927, the election under Bankruptcy Code section 1111(b)(2) is not available to holders of Special Revenues Claims under the Plan.

Section 2.7. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

Section 2.8. Cramdown.

With respect to any Impaired Class of Claims that fails to accept the Plan, the County requests that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b), subject to any applicable Plan Support Agreement.

ARTICLE III
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 3.1. Assumption of Certain Executory Contracts and Unexpired Leases.

(a) Assumption of Agreements.

On the Effective Date the County shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements.

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.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include 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 executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

The Confirmation Order will constitute a Bankruptcy Court order approving the assumption, on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule of Assumed Agreements.

(b) Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash, within ten (10) Business Days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the County to provide "adequate assurance of future performance" within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the County unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

(c) Objections to Assumption/Cure Payment Amounts.

Any Person that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure

Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served on the County on or before **October 21, 2013**. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by a Person that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any cure and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that the County has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

(d) Resolution of Claims Relating to Assumed Contracts and Leases.

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or postpetition arrearage or other Claim (including any Claim asserted in a Filed proof of Claim or listed on the List of Creditors) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

Section 3.2. Rejection of Executory Contracts and Unexpired Leases.

(a) Rejected Agreements.

On the Effective Date all executory contracts and unexpired leases that the County entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the County and (ii) are not set forth on the Schedule of Assumed Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired leases that have been previously assumed or assumed and assigned pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

(b) Rejection Bar Date.

Any Rejection Damage Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the County by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the County and its property, and Persons holding such Claims will not receive and be barred from receiving any Distributions on account of such untimely Claims.

Section 3.3. Postpetition Contracts and Leases.

Except as expressly provided in the Plan or the Confirmation Order, all executory contracts and unexpired leases that the County has entered into after the Petition Date with due authorization of the County Commission will be assumed and retained by the County and will remain in full force and effect from and after the Effective Date.

ARTICLE IV
MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

Section 4.1. Consent Under Bankruptcy Code Section 904.

Pursuant to and for purposes of Bankruptcy Code section 904, the County consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

Section 4.2. Continued Governance of the County and the Sewer System.

From and after the Effective Date, the County Commission shall continue to govern the County and shall continue to administer, control, manage, and operate the property and enterprises of the County (including the Sewer System) in accordance with the Plan, the County's constituent documents, any applicable indentures or other governing contracts, the Alabama Constitution, applicable statutes of the State of Alabama, the EPA Consent Decree, the Personnel Board Consent Decree, and other applicable laws.

Section 4.3. Application of the Approved Rate Structure.

From and after the Effective Date, the Confirmation Order shall constitute a conclusive finding and determination that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6) and applicable state law, and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County in accordance with the Plan and under all applicable state and federal laws. From and after the Effective Date, 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).

Section 4.4. Retention of Assets Generally.

Except as otherwise expressly provided in the Plan, all assets and properties of the County shall be retained by the County on the Effective Date, free and clear of all Claims, liens, encumbrances, charges, and interests. From and after the Effective Date, the County may conduct its affairs and use, acquire, and dispose of any assets or property without supervision by

the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

Section 4.5. Certain Transactions on the Effective Date.

(a) On the Effective Date the County shall issue the New Sewer Warrants under the New Sewer Warrant Indenture.

(b) On the Effective Date the County shall issue and deliver the Replacement 2001-B GO Warrants under the Amended and Restated GO Warrant Indentures, along with the initial payments required on the Effective Date pursuant to the Replacement 2001-B GO Warrants and Section 2.3(o).

(c) On or before the Effective Date, the County shall pay each Sewer Warrant Insurer an amount equal to each Sewer Warrant Insurer's respective Covered Tail Risk.

(d) On the Effective Date the County shall execute the School Warrant Second Supplemental Indenture.

(e) On the Effective Date, the County shall execute the Reserve Fund LOC Agreements.

Section 4.6. Disposition of the Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, and Refinancing Proceeds.

(a) As a proposed settlement incorporated into the Plan pursuant to Bankruptcy Rule 9019 of any and all Causes of Action and matters raised in or that could have been raised in the Declaratory Judgment Action, and any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or any Causes of Action related to the reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants, (i) on the Effective Date, Cash in amounts equal to the Reinstated Sewer Warrant Principal Payments (without giving effect to any acceleration or any accelerated redemption schedule), the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount shall be distributed by the Sewer Warrant Trustee to the applicable parties from the Accumulated Sewer Revenues, including with respect to the Sewer Warrants held by the Sewer Plan Support Parties; (ii) for purposes of Distributions under the Plan, no payments made during the Case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Sewer Warrant Principal Payments) shall be applied or recharacterized to reduce principal; and (iii) no Distributions shall be made on account of postpetition interest accrued on any Sewer Warrants in excess of pre-default rates or, with respect to Bank Warrants, the Sewer Bank Rate.

(b) On the Effective Date the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to satisfy the Sewer Warrant Trustee

Fee Claims to the extent unpaid but permitted to be paid under the Sewer Warrant Indenture and to reserve an amount equal to the Sewer Warrant Trustee Residual Fee Estimate. Any such application and reserve by the Sewer Warrant Trustee shall fully, finally, and completely satisfy, discharge, and release all Sewer Warrant Trustee Fee Claims. If and only if there is an Unused Covered Tail Risk Amount, the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to establish a reserve for Sewer Wrap Payment Rights Administration Expenses to the extent and in the amount of the Unused Covered Tail Risk Amount, which the Sewer Warrant Trustee may thereafter invest in an interest-bearing account and utilize to satisfy Sewer Wrap Payment Rights Administration Expenses as such expenses become due. The County shall have no obligation to pay, fund (including from Accumulated Sewer Revenues, Sewer Warrant Indenture Funds, or Refinancing Proceeds), or otherwise provide for any Sewer Wrap Payment Rights Administration Expenses beyond the Unused Covered Tail Risk Amount and such interest as may be obtained through the Sewer Warrant Trustee's investment of the reserve established with the Unused Covered Tail Risk Amount. Notwithstanding anything to the contrary in this Section 4.6(b), if the Unused Covered Tail Risk Amount is less than the Sewer Wrap Payment Rights Administration Expenses and if any applicable Sewer Warrant Insurers will not provide a source of payment for the Sewer Wrap Payment Rights Administration Expenses in excess of the Unused Covered Tail Risk Amount on terms acceptable to the Sewer Warrant Trustee, then the Sewer Warrant Trustee shall have no obligation or responsibility to perform any action that would give rise to Sewer Wrap Payment Rights Administration Expenses.

(c) On the Effective Date, the Sewer Warrant Trustee or the County, as the case may be, shall apply the following funds in the following order for purposes of making the Distributions provided under the Plan for holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D:

(1) first, Refinancing Proceeds (including to Persons entitled to Excess Refinancing Proceeds in accordance with Section 4.19), provided that Refinancing Proceeds shall not be used to satisfy any Series 2003-A Sewer Claims or any Class 1-D Claims;

(2) second, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Remaining Accumulated Sewer Revenues; and

(3) third, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Sewer Warrant Indenture Funds remaining after giving effect to the application permitted or required by Section 4.6(b).

(d) On the Effective Date, all Remaining Accumulated Sewer Revenues and Sewer Warrant Indenture Funds remaining after giving effect to the usage permitted or required by Section 4.6(c) shall be applied in accordance with the New Sewer Warrant Indenture.

Section 4.7. Commutation Election Protocols and Effect on the Sewer Insurance Policies.

(a) Presumptions Regarding the Commutation Election.

All holders of Claims in Class 1-A and Class 1-B that (i) do not return any Ballot by the Ballot Deadline, (ii) return a Ballot by the Ballot Deadline but do not make any election with respect to the Commutation Election, or (iii) return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (x) any holders of the Series 2003-B-8 Sewer Warrants that either do not return a Ballot, do not indicate an election on any Ballot that is returned by the Ballot Deadline, or return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election, and (y) any holders of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the Commutation Election will be sent a notice pursuant to the Plan Procedures Order under which such holders will have an opportunity to rescind the deemed Commutation Election and, upon such rescission, shall be deemed not to have made the Commutation Election for all purposes under the Plan and shall have their Series 2003-C-9 Through C-10 Sewer Claims be treated in accordance with Option 2 of Section 2.3(a).

(b) Plan's Effect on the Sewer Insurance Policies.

As a result of the satisfaction and discharge of all Sewer Debt Claims and the cancellation of the Sewer Warrants and the Sewer Warrant Indenture under the Plan, on the Effective Date (i) the Sewer DSRF Policies and the Sewer DSRF Reimbursement Agreements will be cancelled and of no further force or effect; (ii) the Sewer Warrant Trustee will close the "Jefferson County Sewer System Debt Service Reserve Fund" under the Sewer Warrant Indenture and return any surety bonds or other documentation evidencing the Sewer DSRF Policies to the applicable Sewer Warrant Insurer; and (iii) the Sewer Wrap Policies will be cancelled and of no further force or effect except with respect to any Sewer Wrap Payment Rights, and such Sewer Wrap Policies (in the case of FGIC, as modified by any plan of rehabilitation) shall remain in full force and effect with respect to such Sewer Wrap Payment Rights.

Section 4.8. Compromise and Settlement of All Sewer Debt-Related Issues.

(a) Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, in consideration of the settlement and release of all Sewer Released Claims and the treatment and consideration provided under the Plan for Allowed Class 1-A, Class 1-B, Class 1-C, and Class 1-D Claims, the Plan incorporates and is expressly conditioned upon the approval and effectiveness of a comprehensive compromise and settlement by and among the County and the Sewer Plan Support Parties of numerous issues and disputes related to the Sewer System, the Sewer Released Claims, and the allowance and treatment of the Sewer Debt Claims. As of the Effective Date, the Plan accordingly represents a full, final, and complete compromise, settlement, release, and resolution of, among other matters, disputes and pending or potential litigation (including any appeals) regarding the following: (i) the allowability, amount, priority, and treatment of the Sewer Debt Claims; (ii) the validity or

enforceability of the Sewer Warrants; (iii) the valuation of the Sewer System and of the stream of net sewer revenues pledged under the Sewer Warrant Indenture; (iv) the appropriate rates that have been or can be charged to users of the Sewer System; (v) any Causes of Action or Avoidance Actions that the County has asserted or could potentially assert against the JPMorgan Parties or against other of the Sewer Plan Support Parties, including any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vi) the Sewer Released Claims that (A) some of the Sewer Plan Support Parties have asserted or (B) the Sewer Plan Support Parties could potentially assert against other Sewer Plan Support Parties, including, in each case, any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vii) how the Sewer Warrant Trustee has applied revenues of the Sewer System to payment of certain Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants; (viii) the various issues raised by the Declaratory Judgment Action; (ix) the scope and extent of any liens or other property rights under the Sewer Warrant Indenture; (x) whether, and the extent to which, the County may recover from Sewer System revenues amounts actually incurred or previously paid by the County on account of professional fees prior to and during the Case; (xi) the allowance and amount of any Bank Warrant Default Interest Claims; (xii) the priority of the LBSF Periodic Payment Claim, the various issues raised by the LBSF Periodic Payment Claim, and the Sewer Warrant Trustee's treatment of and obligations with respect to that Claim; (xiii) the various issues raised by the Receivership Actions; and (xiv) other historical and potential issues associated with the Sewer System and its financing.

(b) This comprehensive compromise and settlement will be binding on the County, on all Persons who have asserted or could assert any potential Causes of Action or Avoidance Actions for or on behalf of the County in any fashion, including derivatively or directly, and on all Creditors concerning the Sewer Released Claims compromised and settled under the Plan (including as described in Section 4.8(a)) in any pending or potential litigation (including any appeals) before any court or agency. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of disputed Sewer Released Claims inextricably bound with the Plan. As such, the approval and consummation of the Plan will conclusively bind all Creditors and other parties in interest, and the releases and settlements effected under the Plan will be operative as of the Effective Date and subject to enforcement by the Bankruptcy Court from and after the Effective Date, including pursuant to the injunctive provisions of Sections 6.2 and 6.3.

(c) In order to give effect to this comprehensive compromise and settlement, (i) any adversary proceedings or contested matters involving Sewer Released Claims shall be dismissed effective as of the Effective Date; and (ii) in connection with the occurrence of the Effective Date, each of the County, the Sewer Plan Support Parties, and the Sewer Warrant Trustee (as applicable) shall file in other appropriate courts stipulations of dismissal among the applicable parties or motions to dismiss any pending litigation (including any appeals) commenced by the County, any of the Sewer Plan Support Parties, or the Sewer Warrant Trustee against the County

or any of the Sewer Plan Support Parties with prejudice, with such dismissals to be effective on and contingent upon the occurrence of the Effective Date.

Section 4.9. JPMorgan Reallocation of Distributions and Consideration Provided by the Sewer Warrant Insurers.

(a) The Sewer Warrant Claims and Bank Warrant Claims held by the JPMorgan Parties shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants held by the JPMorgan Parties and (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to such Sewer Warrants, and shall be classified in Class 1-A and Class 1-B, respectively. Notwithstanding the general treatment afforded to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, as part of the global settlement among the County, the JPMorgan Parties, and the other Sewer Plan Support Parties to be implemented pursuant to the Plan pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, and in consideration of the settlement and release of all Sewer Released Claims against the JPMorgan Parties as provided herein, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein, to make the Commutation Election with respect to all Sewer Warrants held by the JPMorgan Parties (but without receiving the higher recovery being made available to all other holders of Sewer Warrants that make or are deemed to make the Commutation Election), to provide the Reserve Fund LOC, and to reallocate to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims a substantial portion of the JPMorgan Parties' Pro Rata share of the Distribution made to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, thereby increasing the recovery received by all other holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims and reducing the amount of Sewer System indebtedness following the County's emergence from chapter 9. As a result of such reallocation by the JPMorgan Parties and the contributions by the Sewer Warrant Insurers detailed below, each holder of an Allowed Class 1-A Claim or an Allowed Class 1-B Claim (other than the JPMorgan Parties) will receive, in full settlement, satisfaction, release, and exchange of such holder's Claims, a Distribution of Cash from Refinancing Proceeds and other sources of Cash in one of the two amounts specified in Option 1 and Option 2 of Sections 2.3(a) and 2.3(b). Such Distribution is higher than such holders' Pro Rata share of the Distribution made to all holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims; and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims. The sources of the incremental recovery to those holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties; and (ii) consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims

against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election on account of such Claims. The source of the Non-Commutation True-Up Amount and the Covered Tail Risk to be paid to the Sewer Warrant Insurers pursuant to Section 2.3(c) shall also be from the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties.

(b) Based upon the agreements of the Supporting Sewer Warrantholders set forth in Section 5 of the Supporting Sewer Warrantholder Plan Support Agreement, which agreement was reached in order to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, to reallocate and distribute to each Supporting Sewer Warrantholder a portion of the JPMorgan Parties' Cash recovery under the Plan after giving effect to the reallocations described in Section 4.9(a) above in an amount (such amount so reallocated and distributed, the "Supporting Sewer Warrantholder Directed Distribution") equal to (i) the principal amount of Eligible Sewer Warrants held by such Supporting Sewer Warrantholder as of the Distribution Record Date, multiplied by (ii) 3.00%; *provided, however*, that the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement on the date of execution thereof, and the aggregate amount of the Supporting Sewer Warrantholder Directed Distribution shall not exceed the product of the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement multiplied by 3.00%. Subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, on or before the Effective Date, the JPMorgan Parties shall provide irrevocable directions to the County and the Sewer Warrant Trustee to reallocate and Distribute to each Supporting Sewer Warrantholder, instead of to the JPMorgan Parties, such Supporting Sewer Warrantholder's Pro Rata share of the Supporting Sewer Warrantholder Directed Distribution.

(c) Accordingly, without giving effect to the Reserve Fund LOC and after giving effect to the reallocations described in Section 4.9(a) and the Supporting Sewer Warrantholder Directed Distribution, but subject to the potential receipt of Excess Refinancing Proceeds pursuant to Section 4.19, the JPMorgan Parties shall receive, on the Effective Date, Cash in the amount of \$273 million, which is approximately 22% of the Adjusted Sewer Warrant Principal Amount of Sewer Warrants held by the JPMorgan Parties (approximately \$1.218 billion), plus a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a) in full, final, and complete settlement, satisfaction, release, and discharge of all Sewer Debt Claims and Sewer Released Claims held by the JPMorgan Parties. After giving effect to the concessions by the JPMorgan Parties and the Sewer Warrant Insurers described above and the settlements and releases to be implemented pursuant to the Plan, the Sewer Debt Claims held by the JPMorgan Parties and the Sewer Warrant Insurers shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Section 4.10. Cancellation of Warrants and Other Documents.

(a) On the Effective Date, except to the extent otherwise expressly provided in the Plan, all agreements, certificates, indentures, instruments, notes, resolutions, warrants, and other documents evidencing indebtedness of the County, and all liens, mortgages, pledges, grants, trusts, and other interests relating thereto, shall be automatically cancelled, and all obligations of the County thereunder or in any way related thereto shall be discharged. Without limitation and in addition to the provisions of Section 4.7(b), on the Effective Date (i) the Sewer Warrants will be discharged and cancelled, provided that such discharge and cancellation shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights; (ii) the Sewer Warrant Indenture will be cancelled and of no further force or effect other than for purposes of allowing the Sewer Warrant Trustee to calculate and make Distributions in accordance with the Plan, to seek and obtain dismissals of the Receivership Actions and other applicable pending litigation, and, if applicable, to pursue and administer the Sewer Wrap Payment Rights after the Effective Date (which, for the avoidance of doubt, will impose no cost or expense on the County beyond any Unused Covered Tail Risk Amount); (iii) the Sewer Swap Agreements will be cancelled and of no further force or effect; (iv) the Standby Sewer Warrant Purchase Agreements will be cancelled and of no further force or effect; (v) the Standby GO Warrant Purchase Agreement will be cancelled and of no further force or effect; (vi) the GO Warrant Indenture will be superseded in all respects by the Amended and Restated GO Warrant Indentures; (vii) the Series 2001-B GO Warrants will be cancelled and superseded in all respects by the Replacement 2001-B GO Warrants; and (viii) the GO Swap Agreement will be cancelled and of no further force or effect. From and after the Effective Date, all Plan Support Agreements will be terminated and superseded in all respects by the Plan, except with respect to any provisions that specifically survive termination of the Plan Support Agreements in accordance with their respective terms.

(b) For the avoidance of doubt, the Plan will not cancel or otherwise alter any of the following documents or instruments except to the extent otherwise expressly provided in the Plan: (i) the Board of Education Lease Indenture, (ii) the Board of Education Lease Policy, (iii) the Board of Education Lease Warrants, (iv) the GO Insurance Policies, (v) the GO Resolutions, (vi) the New Bessemer Lease, (vii) the School Insurance Policies, (viii) the School Warrant Indenture, (ix) the School Warrants, (x) the Series 2003-A GO Warrants, (xi) the Series 2004-A GO Warrants, and (xii) the Standby School Warrant Purchase Agreement.

Section 4.11. Termination of Receiver and Dismissal of Receivership Actions.

As a result of the satisfaction and discharge of all Sewer Debt Claims, as well as the cancellation of the Sewer Warrants, the Sewer Warrant Indenture, and the Sewer Insurance Policies (as applicable) under the Plan, from and after the Effective Date, the Receiver's status as receiver of the Sewer System will be terminated and of no further force or effect. On or as soon as reasonably practicable after the Effective Date, the Sewer Warrant Trustee shall pay all of the Receiver's unpaid reasonable fees (including fees of its counsel and experts) and expenses from the Sewer Warrant Indenture Funds and shall dismiss (or obtain any court orders as are necessary to dismiss) each of the Receivership Actions in their entirety and with prejudice.

Section 4.12. Vesting of Preserved Claims.

All Preserved Claims shall be preserved and shall vest in the County on the Effective Date, but only to the extent not expressly released pursuant to the Plan, the Confirmation Order, or any other order of the Bankruptcy Court. From and after the Effective Date, the County shall retain its exclusive right, power, and duty to administer the collection, prosecution, enforcement, settlement, or abandonment of the Preserved Claims in the County's sole and absolute discretion.

Section 4.13. Exemption from Securities Law.

(a) The issuance of the Replacement 2001-B GO Warrants and the New Sewer Warrants are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and all rules and regulations promulgated thereunder. In general, securities issued by the County, such as general obligation warrants and sewer revenue warrants, are exempt from registration under section 3(a)(2) of the 1933 Act. Obligations issued by the County likewise are exempt from registration under current Alabama securities law. These exemptions from registration apply to the New Sewer Warrants and the Replacement 2001-B GO Warrants.

(b) The New Sewer Warrants (other than the Reserve Fund Reimbursement Warrants) will be publically offered. Therefore, the County intends to rely on generally applicable securities law exemptions for the offering and sale of the New Sewer Warrants, provided that the County does not expect to offer the New Sewer Warrants in states in which registration of County securities may be required by applicable state securities law, unless first registered or otherwise qualified for sale in such jurisdiction. The Replacement 2001-B GO Warrants will not be publically offered but instead will be issued to the GO Banks pursuant to the Plan. The Replacement 2001-B GO Warrants will also be exempt from registration under federal or state securities law to the maximum extent provided under Bankruptcy Code section 1145.

(c) Like the exemption from registration provided to the County under section 3(a)(2) of the 1933 Act, generally applicable securities laws provide an exemption from qualification for certain trust indentures entered into by government entities. The New Sewer Warrant Indenture and the Amended and Restated GO Warrant Indentures are each exempt from qualification under section 304(a)(4) of the Trust Indenture Act of 1939.

(d) Nothing in the Plan or the Confirmation Order, including Articles 5 and 6 of the Plan, is intended (i) to preclude the Securities and Exchange Commission from performing its statutory duties, including pursuing any causes of action (including those asserted in the case of *SEC v. Charles LeCroy, et al.*, Case No. 2:09-cv-02238 (N.D. Ala.)), regarding any Person in any forum with proper jurisdiction; or (ii) without limiting the discharge of the County under the Bankruptcy Code, to excuse any Person from being subject to any action brought by the Securities and Exchange Commission on account of such Person's non-compliance with applicable securities law.

Section 4.14. Objections to Claims.

(a) County's Exclusive Right to Object.

The County shall have the right to object to the allowance of Claims as to which liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). Except as otherwise provided herein, the County's rights to object to, oppose, and defend against all Claims on any basis are fully preserved. Unless otherwise ordered by the Bankruptcy Court, the County shall file and serve any such objections on or before the Claims Objection Deadline. After the Effective Date, the County shall have the sole right and authority to control and effectuate the Claims reconciliation process, including to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) Distributions Following Allowance.

At such time as a Contingent Claim, a Disputed Claim, or an Unliquidated Claim becomes an Allowed Claim, in whole or in part, including pursuant to the Plan, the County or its agent shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions, if any, shall be made as soon as practicable after the date on which the order or judgment allowing such Claim becomes a Final Order (or such other date on which the Claim becomes an Allowed Claim, including pursuant to the Plan). Unless otherwise specifically provided in the Plan or allowed by a Final Order of the Bankruptcy Court, no interest shall be paid on Contingent Claims, Disputed Claims, or Unliquidated Claims that later become Allowed Claims.

Section 4.15. Distributions Under the Plan.

Unless otherwise provided in the Plan, the following procedures apply to Distributions.

(a) Responsibility for Making Distributions.

The County or its designated agents, including the Indenture Trustees and the GO Paying Agents under Section 4.15(e)(iv), shall be responsible for distributing all Distributions made to them for the benefit of the holders of the respective underlying warrants and Claims as required under the Plan and, unless otherwise specified in the Plan, pursuant to the applicable operative documents. To the extent applicable, the County or its designated agents shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit with respect to such Distributions, and all Distributions shall be subject to such withholding and reporting requirements.

(b) No De Minimis Distributions.

Notwithstanding anything to the contrary in the Plan, with the exception of Distributions on account of Class 1-D Claims and Class 5-E Claims, no Cash payment of less than fifty dollars (\$50.00) will be made to any Person; *provided, however*, that solely with respect to Distributions from the General Unsecured Claims Pool, if the right to payment of a holder of an Allowed Class 6 Claim does not exceed fifty dollars (\$50.00) on the GUC Payment Date, then such holder will

receive a Cash payment in an amount equal to such holder's entitlement. No consideration will be provided in lieu of the *de minimis* Distributions that are not made pursuant to this Section 4.15(b), and the County shall be authorized and empowered to retain such *de minimis* amounts for its own benefit.

(c) **No Distributions With Respect to Certain Claims.**

Notwithstanding anything to the contrary in the Plan, no Distributions or other consideration of any kind shall be made on account of any Contingent Claim, Disputed Claim, or Unliquidated Claim unless and until such Claim becomes an Allowed Claim, or is deemed to be such for purposes of distribution, and then only to the extent that such Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim.

(d) **Distributions to Holders as of the Distribution Record Date.**

(i) **General Principles.**

At the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holder of any Claim. The County or any other Person responsible for making Distributions shall have no obligation to recognize any transfer of any Claim occurring or purportedly occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Distribution Record Date.

(ii) **Specific Exceptions.**

The general principles set forth in Section 4.15(d)(i) will not apply to Claims arising from the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants (other than any GO Policy Claims), or the Series 2004-A GO Warrants (other than any GO Policy Claims). Subject in all cases to the treatment provided under the Plan, nothing in the Plan will limit the rights of a holder of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants to assign, sell, pledge, hypothecate, or otherwise transfer its warrants to the extent permitted by such warrants, any other applicable operative agreements, and applicable nonbankruptcy law. Subject to the terms of the applicable operative agreements and any requirements under applicable nonbankruptcy law, the County and any applicable Indenture Trustee or GO Paying Agent shall recognize and give effect to assignments, sales, pledges, hypothecations, or other transfers of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants regardless whether such assignments, sales, pledges, hypothecations, or other transfers were made or settled before, on, or after the Distribution Record Date.

(e) **Delivery of Distributions; Undeliverable/Unclaimed Distributions.**

(i) **Delivery of Distributions in General.**

The County or its designated agents shall make Distributions to each holder of an Allowed Claim as follows: (A) by mail at the address set forth on the proof of Claim Filed by

such holder in respect of such Allowed Claim, unless such holder has provided written notice of address change to the County; (B) by mail at the address set forth in the most recent written notice of address change delivered to the County after the date of any related proof of Claim; (C) by mail at the address reflected in the List of Creditors if no proof of Claim is filed and the County has not received a written notice of a change of address; or (D) through the facilities of DTC for the benefit of the holders of Allowed Sewer Debt Claims. Notwithstanding the foregoing, the County shall make Distributions on account of Allowed Class 1-C Claims directly to holders of Class 1-C Claims pursuant to directions provided to the County by the Sewer Warrant Insurers, and the County and Sewer Warrant Insurers shall provide such information as is necessary in order to prevent the Sewer Warrant Trustee or DTC from making any additional or other Distributions on account of any Allowed Class 1-C Claims.

(ii) Undeliverable and Unclaimed Distributions.

If the County tenders an Undeliverable Distribution, the issuing entity may cancel the distribution check and need not re-attempt delivery, unless the County timely receives notification of the holder's new address before the deadlines described below. If the County tenders an Unclaimed Distribution, the issuer may cancel the distribution check, and need not attempt redelivery, except as otherwise provided herein.

The County shall reserve the funds with respect to all Undeliverable Distributions and Unclaimed Distributions for one (1) year following the Effective Date. If the County does not receive prior to that date a written request from the holder of the applicable Allowed Claim asserting entitlement to an Undeliverable Distribution or Unclaimed Distribution and providing a current address, then the County shall be authorized and empowered to retain such funds for its own benefit.

Any holder of an Allowed Claim that does not assert in writing its entitlement to an Undeliverable Distribution or Unclaimed Distribution, by the applicable dates set forth in the foregoing paragraphs, no longer shall have any interest in or be entitled to such undelivered or unclaimed Distribution and shall be barred forever from receiving any Distributions under the Plan, or from asserting a Claim against the County or its property, and the right to such undeliverable or unclaimed Distribution will be discharged.

For the avoidance of doubt, the foregoing provisions regarding Undeliverable Distributions or Unclaimed Distributions will not apply to Distributions made on account of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D.

Nothing contained in the Plan shall require the County or its designated agents to attempt to locate any holder of an Allowed Claim.

(iii) Estimation of Certain Claims for Distribution Purposes.

The County may move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim. The estimated amount of any Claim so determined by the Bankruptcy Court shall constitute the maximum recovery that the holder thereof may recover after the ultimate liquidation of its Claim, irrespective of the actual amount that is ultimately Allowed.

(iv) Certain Distributions to be Made to the Indenture Trustees or the GO Paying Agents.

(A) Sewer Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Sewer Warrant Claims, Bank Warrant Claims, and Primary Standby Sewer Warrant Claims shall be made by the County in aggregate, lump-sum payments to the Sewer Warrant Trustee, and will in turn be distributed by the Sewer Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts (all of which will be deemed satisfied pursuant to Section 4.6(b)).

(B) GO Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Series 2001-B GO Claims and Standby GO Warrant Claims shall be made by the County in aggregate, lump-sum payments to the GO Warrant Trustee, and will in turn be distributed by the GO Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts.

(C) Other Indenture Trustees and Paying Agents.

With respect to all preexisting warrants that will remain outstanding under the Plan (i.e., the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants), the County will make post-Effective Date payments on account of such warrants to the applicable Indenture Trustee or GO Paying Agent, which Indenture Trustee or Paying Agent shall thereafter distribute such payments to holders of such warrants in accordance with the applicable operative agreements.

(v) Surrender of Instruments.

On the Effective Date, each holder of a certificated instrument, warrant, or note that (A) gives rise to any Sewer Debt Claims or (B) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. On the Effective Date, each holder of a global certificated instrument, warrant, or note that is held pursuant to the book-entry system operated by DTC and that (X) gives rise to any Sewer Debt Claims or (Y) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee in accordance with the Rules and Operational Arrangements of DTC, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. Upon issuance and delivery of the New Sewer Warrants and completion of Distributions required under the Plan, the Sewer Warrant Trustee shall cancel all outstanding Sewer Warrants on the

records of DTC and destroy all associated original physical certificates, provided that such cancellation and destruction shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights. Upon issuance and delivery of the Replacement 2001-B GO Warrants, the GO Warrant Trustee shall cancel all outstanding Series 2001-B GO Warrants on the records of DTC and destroy all associated original physical certificates.

(f) **Full, Final, and Complete Settlement and Satisfaction.**

The Distributions and other treatment provided under the Plan for each holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such holder's Claims against the County, against the County's property, or any Claims released under the Plan.

(g) **Limitations on Distributions Payable to Persons Liable to County.**

No Distribution will be made on account of any Claim of any Person against which the County has any affirmative Causes of Action (excluding all GO Released Claims and all Sewer Released Claims), and such Person's Claim shall be deemed to be a Disallowed Claim pursuant to the Plan, unless and until such time as all Causes of Action (excluding all GO Released Claims and all Sewer Released Claims) against that Person have been settled or resolved by a Final Order and such Person has paid the entire amount for which such Person is liable to the County.

(h) **Deemed Acceleration of the Sewer Warrants.**

For all purposes, including Distributions under the Plan, all series and subseries of the Sewer Warrants shall be deemed accelerated, as of the Effective Date, after payment of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, which acceleration shall occur immediately and before any other Distribution of consideration on the Effective Date; *provided, however*, that such acceleration will not be deemed to release any of the Sewer Wrap Policies with respect to Sewer Wrap Payment Rights except as a result of any Sewer Warrant Insurer's payment of the Outstanding Amount on the applicable series or subseries of non-commuted Sewer Warrants as set forth in the last sentence of this paragraph. With respect to any series or subseries of Sewer Warrants as to which the Commutation Election is not made or deemed not to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to pay the Outstanding Amount on such series or subseries of Sewer Warrants, the Sewer Warrant Trustee shall be deemed as of the Effective Date or, if later, as of the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries of Sewer Warrants, to have submitted a draw request under each applicable Sewer Wrap Policy in respect of the Outstanding Amount on such non-commuted series or subseries of Sewer Warrants, and each such Sewer Warrant Insurer shall be entitled (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to treat the Outstanding Amount as "Due for Payment" (as such term is defined in the applicable Sewer Wrap Policy and for purposes of such Sewer Wrap Policy) as of the Effective Date or as of such later date on which the applicable Sewer Warrant

Insurer elects to pay such Outstanding Amount. Payment, as provided in the applicable Sewer Wrap Policy, of the Outstanding Amount on any series or subseries of non-commuted Sewer Warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable Sewer Wrap Policy and to fully release all Sewer Wrap Payment Rights with respect to such Sewer Warrants.

Section 4.16. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the County, the County may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Causes of Action of any nature whatsoever that the County may have against the claimant and that is not a GO Released Claim or a Sewer Released Claim. If the County elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the County's setoff or recoupment; *provided, however*, that the claimant will be provided with written notice of the proposed setoff or recoupment at least ten (10) Business Days prior thereto, and, if the claimant files a written objection to such proposed setoff or recoupment, the County shall not proceed with the setoff or recoupment absent the withdrawal of the claimant's objection or the entry of an order overruling the objection, but the County may in all events withhold any Distributions on account of such Claim pending resolution of the claimant's objection; *provided further, however*, that neither the failure to setoff against or recoup from any Claim nor the allowance of any Claim shall constitute a waiver or release by the County of any Causes of Action the County may have against the subject claimant.

Section 4.17. Motion Under Bankruptcy Code Section 364.

The Plan constitutes a motion by the County seeking the Bankruptcy Court's approval of the incurrence of all indebtedness, extensions of credit, and grants of liens necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of New Sewer Warrants under the Plan, the incurrence of any underwriting or other transaction fees to be paid at closing, the provision of the New Sewer Wrap Policy, and the delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements. Confirmation of the Plan shall constitute a conclusive determination that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness, extensions of credit, and grants of liens to the maximum extent permitted by law. Confirmation of the Plan shall also constitute a conclusive determination that all such indebtedness, extensions of credit, and grants of liens were extended and incurred in good faith and in compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law. As such, upon the occurrence of the Effective Date, the participants in the offering of New Sewer Warrants under the Plan, the Persons receiving any underwriting or other transaction fees to be paid at closing, and those Persons providing the New Sewer Wrap Policy and the Reserve Fund LOC will be, in each case, entitled to the full protections and rights afforded by Bankruptcy Code section 364(e) with respect to such transactions.

Section 4.18. The Effective Date.

The Plan shall not become binding unless and until the Effective Date occurs. The Effective Date will be a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which all of the following conditions have been satisfied as set forth below, or waived as set forth in Section 4.18(b). Unless waived pursuant to Section 4.18(b), the Effective Date of the Plan shall not occur until each of the following conditions precedent has occurred or will occur simultaneously with the Effective Date of the Plan.

(a) Conditions to the Effective Date.

(i) The Confirmation Order shall (A) be entered and in full force and effect in form and substance acceptable to (1) the County, (2) the Sewer Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable Sewer Plan Support Party, and (3) the GO Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable GO Plan Support Party; and (B) not be subject to any stay;

(ii) The County shall have entered into the Closing Agreement; *provided, however*, that if any settlement payment is required to be made to the Internal Revenue Service, such payment shall be payable exclusively from Accumulated Sewer Revenues or gross Sewer System revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate consideration to be paid to holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, or any other payments described herein to be paid to the Sewer Plan Support Parties;

(iii) The aggregate Tail Risk and the aggregate Covered Tail Risk shall each not exceed \$25.0 million;

(iv) No Sewer Warrant Insurer will be subject to any Tail Risk on or after the Effective Date in an amount in excess of its Covered Tail Risk;

(v) The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate Refinancing Proceeds and other Cash consideration required to make the payments to (A) holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims shall be available and shall have been paid under the Plan to the Sewer Warrant Trustee for Distribution in accordance with the Plan on the Effective Date; and (B) holders of Allowed Class 1-C Claims (including the Sewer Warrant Insurers Outlay Amount) shall be available and shall have been paid under the Plan to the applicable Sewer Warrant Insurer in accordance with the Plan and the Sewer Warrant Insurers Agreements on the Effective Date;

(vi) The Sewer Plan Support Agreements and the Sewer Warrant Insurers Agreements shall be in full force and effect and any and all payments (A) required under (the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer (or are paid

simultaneously with the other payments to the Sewer Warrant Insurers required under the Plan); and (B) on account of Covered Tail Risk shall have been paid in full in Cash;

(vii) All of the settlements, releases, and injunctions contemplated by the Plan (including the settlement and release under the Plan of the Causes of Action asserted in the Bennett Action and the Wilson Action) shall have been approved pursuant to the Confirmation Order, and any pending litigation (including any appeals) commenced by the County or any of the Sewer Plan Support Parties against any of the Sewer Plan Support Parties shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice;

(viii) The Effective Date shall have occurred on or before December 31, 2013;

(ix) The Plan (as confirmed by the Confirmation Order), the Plan Supplement, and all other documents, instruments, agreements, writings, and undertakings required under the Plan (A) shall be in form and substance satisfactory to the County (and, to the extent required by any applicable Plan Support Agreement or the Plan, approved by the applicable Plan Support Party or Parties); (B) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and (C) and, to the extent required by any applicable Plan Support Agreement or the Plan, shall be (or simultaneously with the occurrence of the Effective Date will be) effective;

(x) The Supporting Sewer Warrantholder Directed Distribution shall have been approved pursuant to the Confirmation Order and paid to the Supporting Sewer Warranholders;

(xi) Assured shall have issued the New Sewer Wrap Policy and JPMorgan Chase Bank, N.A. shall have delivered the Reserve Fund LOC;

(xii) All Excess Refinancing Proceeds, if any, shall have been paid to the Persons entitled to such Excess Refinancing Proceeds in accordance with Section 4.19 on the Effective Date; and

(xiii) The County, the Sewer Liquidity Banks, the Sewer Warrant Insurers, the Supporting Sewer Warranholders, and the JPMorgan Parties shall have each acknowledged in writing (which writing may take the form of an email exchange among their respective counsel) that all conditions to the Effective Date have been satisfied or waived (or will be satisfied or waived simultaneously with the occurrence of the Effective Date).

(b) Waiver of Conditions.

The requirement that the conditions to the occurrence of the Effective Date be satisfied may be waived in whole or in part by mutual written agreement by (i) the County and each Sewer Plan Support Party (or, in the case of the Supporting Sewer Warranholders, the "Majority Eligible Warranholders" as defined in the Supporting Sewer Warrantholder Plan Support Agreement if such waiver may be effected by the Majority Eligible Warranholders under the Supporting Sewer Warrantholder Plan Support Agreement) that is affected by the subject condition; or (ii) the County and each GO Plan Support Party that is affected by the subject condition, solely with respect to conditions (i), (vii), and (ix). Any such waiver may be effected

at any time, without advance notice, leave, or order of the Bankruptcy Court and without any formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

(c) **Effect of Failure of Conditions.**

In the event that the conditions to the occurrence of the Effective Date have not been timely satisfied or waived pursuant to Section 4.18(b), and upon notification Filed by the County with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the County and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee will be restored to their rights as if the Plan, the Plan Support Agreements, any Plan Term Sheets referenced therein, and the Sewer Warrant Insurers Agreements were never entered into, and all claims and defenses of the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee shall be fully reserved; (v) any and all Ballots with respect to the Plan delivered by each of the Plan Support Parties shall be immediately withdrawn, and such Ballots shall be null and void for all purposes and shall not be considered or otherwise used in any manner; and (vi) all of the County's obligations with respect to Claims shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the County or any other Person or to prejudice in any manner the rights, claims, or defenses of the County or any other Person in any further proceedings involving the County. Nothing in the foregoing sentence shall alter or limit any Person's rights under any Plan Support Agreement.

(d) **Notice of the Effective Date.**

Promptly after the occurrence of the Effective Date, the County or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Damage Claims; (iv) the deadline established under the Plan for the filing of Administrative Claims; and (v) such other matters as the County finds appropriate.

Section 4.19. Recoupment of Excess November 2013 Sewer Creditor Concessions.

On the Effective Date, all Excess Refinancing Proceeds shall be applied in the following order for purposes of making Distributions to the specified parties:

- (a) an amount equal to 100% of the Excess Refinancing Proceeds – First Tranche shall be paid to the JPMorgan Parties;
- (b) (i) an amount equal to 50% of the Excess Refinancing Proceeds – Second Tranche shall be paid to the JPMorgan Parties; (ii) an amount equal to 11.666% of the Excess Refinancing Proceeds – Second Tranche shall be paid to FGIC; (iii) an amount equal to 11.457% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Assured; (iv) an amount equal to 10.207% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Syncora; (v) an amount equal to 14.42% of the Excess Refinancing Proceeds – Second Tranche

shall be paid Pro Rata to the Supporting Sewer Warrantholders; and (vi) an amount equal to 2.25% of the Excess Refinancing Proceeds – Second Tranche shall be paid Pro Rata to the Sewer Liquidity Banks; and

(c) an amount equal to 100% of the Excess Refinancing Proceeds – Third Tranche shall be paid to the JPMorgan Parties.

ARTICLE V
OTHER PLAN PROVISIONS

Section 5.1. Exculpation of GO Released Parties, Sewer Released Parties, and the School Warrant Trustee Regarding the Bankruptcy and Plan Process.

To the maximum extent permitted by law, neither the GO Released Parties, nor the Sewer Released Parties, nor the School Warrant Trustee, nor any of their respective Related Parties shall have or incur any liability to any Person, including any holders of GO Warrants, Sewer Warrants, or School Warrants, for any act or omission occurring on or before the Effective Date in connection with, related to, or arising out of the Case, the Plan Support Agreements, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan or any compromises or settlements contained herein, the Disclosure Statement, or any contract, instrument, release, or other agreement or document provided or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however*, that the foregoing provisions shall not affect the liability of any Person that otherwise would result from any such act or omission occurring on or prior to the Effective Date to the extent that such act or omission is determined in a Final Order to have constituted willful misconduct or fraud. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court conclusively will be deemed not to constitute willful misconduct or fraud unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the GO Released Parties, the Sewer Released Parties, the School Warrant Trustee, and their respective Related Parties shall be entitled to rely on the advice of their respective counsel with respect to their duties and responsibilities in connection with the Case and the Plan.

Section 5.2. Revocation of the Plan; No Admissions.

Subject to each of the Sewer Plan Support Agreements, the County reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. Notwithstanding anything to the contrary in the Plan, if the Plan is not confirmed or if the Effective Date does not occur, the Plan (and the Confirmation Order, if entered) will be null and void and inadmissible as evidence in any proceeding, and nothing contained in the Plan, the Disclosure Statement, or the Confirmation Order (if entered) will (a) be an admission by the County, any of the Plan Support Parties, the Sewer Warrant Trustee, or the School Warrant Trustee with respect to any matter set forth therein, including liability on any Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgment, or release of any Claims against the County or its property, or of any Causes of Action; or (c) prejudice in any manner the rights of any Person in any further proceedings. Nothing in this Section 5.2 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement. In addition, nothing in the Plan,

the comprehensive compromise and settlement described in Section 4.8(a), or any other compromises and settlements implemented under the Plan shall be deemed to be an admission or evidence of wrongdoing or, except with respect to obligations created under or pursuant to the Plan, liability on the part of any GO Released Party, any Sewer Released Party, or any of their respective Related Parties.

Section 5.3. Modification of the Plan.

Subject to the restrictions set forth in Bankruptcy Code section 942 and in each of the Sewer Plan Support Agreements, the County reserves the right to alter, amend, or modify the Plan at any time before the Confirmation Date.

Section 5.4. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. All rights of each Plan Support Party under the applicable Plan Support Agreement are fully reserved if any such holding, alteration, or interpretation means that the Plan is no longer an "Acceptable Plan" for purposes of the applicable Plan Support Agreement. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section 5.4, is valid and enforceable under its terms.

Section 5.5. Inconsistencies.

To the extent of any inconsistencies between the Plan, on the one hand, and the Disclosure Statement, any Plan Support Agreement, or any Ballot, on the other hand, the terms and provisions contained in the Plan shall govern.

Section 5.6. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, instruments, and documents executed in connection with the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama without giving effect to the principles of conflict of laws thereof.

Section 5.7. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

Section 5.8. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the County, all the Plan Support Parties, the Sewer Warrant Trustee, the School Warrant Trustee, the FGIC Rehabilitator, and all their respective Related Parties have acted in good faith in connection therewith.

Section 5.9. Effectuating Documents and Further Transactions.

Each of the officials and employees of the County is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

Section 5.10. Validation of the New Sewer Warrants.

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 substantially as follows:

The New Sewer Warrants were authorized and will be issued as of the Effective Date as a means of implementing the Plan and providing for the satisfaction of Sewer Debt Claims in accordance with the Bankruptcy Code.

The County has the authority under the constitution and laws of the State of Alabama and the Plan to adopt the Rate Resolution, to execute, deliver and perform its obligations under the New Sewer Warrant Indenture, and to issue, execute, and deliver the New Sewer Warrants pursuant to the Plan.

All actions and things required under the provisions of applicable law to be had and done in this proceeding preliminary to the entry of this Confirmation Order have been had and done in the manner provided by law. This Confirmation Order will be forever conclusive against, among others, the County and all taxpayers and citizens of the County.

The indebtedness evidenced and ordered paid by the New Sewer Warrants shall be a limited obligation of the County, payable solely from the System Revenues derived from the operation of the Sewer System. The general faith and credit of

the County shall not be pledged to the payment of the principal of or the interest or premium (if any) on the New Sewer Warrants, and the New Sewer Warrants shall not be general obligations of the County.

The New Sewer Warrants shall not constitute a debt or indebtedness of the County under the provisions of Section 224 of the Constitution of the State of Alabama, as amended, because the principal of and interest on the New Sewer Warrants will be payable solely from the System Revenues derived from the operation of the Sewer System, and will not be a charge on the general credit of the County.

The Bankruptcy Court does hereby validate and confirm all proceedings had and taken in connection with the following (i) the Plan; (ii) all covenants, agreements, provisions, and obligations of the County set forth in the Plan; (iii) the Rate Resolution; (iv) all covenants, agreements, provisions, and obligations of the County set forth in the New Sewer Warrant Indenture; and (v) the New Sewer Warrants and the provisions made to pay and secure payment of such obligations. When the New Sewer Warrants have been executed and delivered in accordance with the Plan, then the New Sewer Warrants and the pledges, covenants, agreements, and obligations set forth therein and in the New Sewer Warrant Indenture shall stand validated and confirmed.

At the time of the delivery of the New Sewer Warrants, the County is hereby directed to cause to be stamped or written on each of the New Sewer Warrants a legend substantially as follows:

“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.”

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 Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, 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) 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.

Section 5.11. Validation of the Approved Rate Structure.

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. Validation of Allowance of Sewer Debt Claims.

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.

Section 5.13. Notices.

Any notices to or requests of the County by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when actually received by the following parties:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Re: Jefferson County

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
Attn: Kenneth N. Klee, Esq.
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Re: Jefferson County

Section 5.14. Sewer Warrant Trustee Residual Fee Estimate.

The County will have the right to challenge the amount of the Sewer Warrant Trustee Residual Fee Estimate by filing an action in the Bankruptcy Court within five (5) calendar days after receipt of the Sewer Warrant Trustee Residual Fee Estimate, provided that prior to filing such an action, the County will make good faith efforts to resolve any dispute with the Sewer Warrant Trustee. Any challenge by the County to the amount of the Sewer Warrant Trustee Residual Fee Estimate will be resolved by the Bankruptcy Court on an expedited basis before the Effective Date.

ARTICLE VI
EFFECTS OF CONFIRMATION OF THE PLAN

Section 6.1. Binding Effect.

Upon the Effective Date and pursuant to Bankruptcy Code section 944(a), the Plan, the Distributions and transactions contemplated by the Plan, and the compromises and settlements

contained in the Plan 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 Sewer System, all parties in interest, and all other Persons. Confirmation of the Plan binds each holder of a Claim to all the terms and conditions of the Plan, 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 Plan, and whether or not such holder has accepted the Plan. The County reserves all rights to seek appropriate relief against any Person under Bankruptcy Code section 1142(b) to the extent necessary for the consummation of the Plan.

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; *provided, however*, that the foregoing provision shall not include or affect the liability of any Related Party of the County (x) in any action brought by the Securities and Exchange Commission or (y) on account of any violation of the securities laws. 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.

Nothing in the Plan discharges, releases, precludes, or enjoins: (i) any environmental liability to any governmental unit that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of any governmental unit arising on or after the Effective Date; or (iii) any environmental liability to any governmental unit on the part of any entity as the owner or operator of property after the Effective Date.

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) GO Releases and Injunctions.

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

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

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

(c) 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 and all GO 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, the GO 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.

Section 6.4. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

- (a) Except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;
- (b) Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the County is a party or with respect to which the County may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (c) Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the County that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;
- (d) Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan;
- (f) Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's rights, obligations, or interests under the Plan or the Confirmation Order;

(g) Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(h) Adjudicate any Preserved Claims;

(i) Implement and enforce the Commutation Election, and implement and enforce all settlements, releases, exculpations, and injunctions associated with the Plan;

(j) Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan or the Confirmation Order;

(k) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

(l) 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 – including implementation or enforcement of the Approved Rate Structure, issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, provision of the New Sewer Wrap Policy, and delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements – and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication;

(m) Hear and determine any actions brought against the County, the GO Released Parties, the Sewer Released Parties, or any of their respective Related Parties in connection with all compromises and settlements, exculpations and releases, the Plan, or the Case;

(n) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

(o) Enter an order closing the Case pursuant to Bankruptcy Code section 945(b).

If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this Section 6.4 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE VII
RECOMMENDATION AND CONCLUSION

The County believes that confirmation and implementation of the Plan are the best alternative under the circumstances and urges all its Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

DATED AS OF: November 6, 2013

JEFFERSON COUNTY, ALABAMA

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

Filed by:

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

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, jbender@babbc.com,
jhenderson@babbc.com

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP

Kenneth N. Klee (*pro hac vice*)

Lee R. Bogdanoff (*pro hac vice*)

David M. Stern (*pro hac vice*)

Robert J. Pfister (*pro hac vice*)

Whitman L. Holt (*pro hac vice*)

1999 Avenue of the Stars, Thirty-Ninth Floor

Los Angeles, California 90067

Telephone: (310) 407-4000

Facsimile: (310) 407-9090

Email: kklee@ktbslaw.com, lbogdanoff@ktbslaw.com,
dstern@ktbslaw.com, rpfister@ktbslaw.com,
wholt@ktbslaw.com

Counsel for Jefferson County, Alabama

Exhibit A

Preserved Claims

1. All Causes of Action and Avoidance Actions against British Petroleum arising out of the fire, explosions, and oil leak that occurred on the Deepwater Horizon, whether or not asserted in connection with the consolidated cases collectively styled *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, MDL No. 2179, pending in the United States District Court for the Eastern District of Louisiana.
2. All Causes of Action and Avoidance Actions against Bank of America, Bank of Tokyo - Mitsubishi UFJ, Barclays Bank plc, Citibank NA, Credit Suisse, Deutsche Bank AG, HSBC, Lloyds TSB Bank plc, Rabobank, Royal Bank of Canada, The Norinchukin Bank, The Royal Bank of Scotland Group, UBS AG, BNP Paribas, Credit Agricole Corporate Investment Bank, Sumitomo Mitsui Banking Corporation, and Société Générale regarding manipulation of the London Interbank Offered Rate and effect on the County's variable-rate obligations, including obligations under interest rate swap agreements.
3. All Causes of Action and Avoidance Actions against Jack Swann; Harry Chandler; Ronald Wilson; Clarence Barber; Larry Creel; Sohan Singh; Ed Key; U.S. Infrastructure; Civil Engineering Design Services; Pat Dougherty; Dougherty Engineering; Bobby Rast; Danny Rast; Rast Construction; William Dawson; Dawson Engineering; Grady Pugh, Jr; Roland Pugh; Roland Pugh Construction; and Eddie Yessick arising out of these parties' conduct in connection with bribery, corruption, or the construction of the Sewer System. The County's Causes of Action include claims for unpaid fines or restitution.
4. All Causes of Action and Avoidance Actions against Wachovia Bank, N.A. ("Wachovia") and Wells Fargo Bank, N.A. ("Wells Fargo") arising from Wachovia's violation of state and federal antitrust laws in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between Wachovia, Wells Fargo, and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
5. All Causes of Action and Avoidance Actions against UBS AG arising from violations of state and federal antitrust and other laws by UBS AG and others in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between UBS AG and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
6. All Causes of Action and Avoidance Actions against Jefferson Clinic, P.C. related to services provided to Cooper Green Mercy Hospital and payments made to Jefferson Clinic P.C. with respect to such services.
7. All Causes of Action and Avoidance Actions against any contractors, vendors, and former employees related to services provided to Cooper Green Mercy Hospital, including claims for refunds of payments made pursuant to void contracts.

8. All Causes of Action and Avoidance Actions against Health Assurance, LLC for refunds of premiums paid on or behalf of the County.
9. All Causes of Action and Avoidance Actions against Greater McAdory Athletic Association related to advances from the County earmarked for specific use.
10. All Causes of Action and Avoidance Actions against Hendon Engineering in connection with design and construction defects at the Five Mile Waste Water Treatment Plant.
11. All Causes of Action and Avoidance Actions for payment of any taxes, including sales taxes, use taxes, ad valorem taxes, occupational taxes, privilege taxes, or any other kind of tax; whether or not such taxes are currently the subject of any litigation.
12. All Causes of Action and Avoidance Actions related to services provided by the County to third parties, including municipalities and related municipal boards, authorities and other entities, sewer customers, and hospital and clinic patients.
13. All Causes of Action and Avoidance Actions relating to reimbursements from the State of Alabama and the federal government, including the Federal Emergency Management Agency, for County expenditures following the tornadoes of April 2011.
14. All Causes of Action and Avoidance Actions related to deposits, bonds, or other forms of security posted in connection with construction projects or other contracts as to which the counterparty failed to timely or satisfactorily perform.
15. All Causes of Action and Avoidance Actions related to subrogation rights against third parties arising from property and worker's compensation claims.
16. All Causes of Action and Avoidance Actions against any holder of Sewer Warrants that is not a Sewer Released Party or a Related Party of such Sewer Released Party.
17. All Causes of Action, Avoidance Actions, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Creditor or any Person that are not otherwise released under or pursuant to the Plan.

Exhibit B

Schedule of Assumed Agreements

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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 PO Box 1646	Columbiana	AL	35051	7/19/2011	Contract for Grounds Keeping Services at the Village Creek WWTP	\$8,500.00
Enersolv Corporation	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
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

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	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)	\$42,609.68
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

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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 Attn: Contracts Manager	Birmingham	AL	35203	6/23/1992	Revocable License Agreement	\$0.00
American Tower Management, LLC	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 Attn: Manager of Operations	Canonsburg	PA	15317	10/25/2005	Government Entity Tower License Agreement	\$0.00
Southern Communications Services, Inc.	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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

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
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	12/29/2004	Disclosure Dissemination Agent Agreement	\$0.00
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	2/2/2005	Disclosure Dissemination Agent Agreement	\$0.00
Holders 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
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Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

Exhibit C

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.

[Insert Charge Ordinance as Appendix]

Exhibit D

GO Acknowledgement

(i) The indebtedness evidenced and ordered to be paid on account of the GO Warrants and the GO Insurance Policies constitutes, and with respect to the Replacement 2001-B GO Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the GO Warrants, and the Replacement 2001-B GO Warrants once issued, as they become due and to reimburse National on account of the GO Insurance Policies.

(ii) Revenues legally available to the County for payment of debt service on the GO Warrants and to reimburse National on account of the GO Insurance Policies include, and with respect to the Replacement 2001-B GO Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The GO Warrants and the obligations to reimburse National on account of the GO Insurance Policies constitute, and the Replacement 2001-B GO Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the GO Warrants, and the Replacement 2001-B GO Warrants once issued, and to reimburse National on account of the GO Insurance Policies in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the GO Warrants, the GO Warrant Indenture, the GO Insurance Policies, and the Standby GO Warrant Purchase Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

Annex 2

Further Amended Financing Plan

Jefferson County, Alabama Sewer Revenue Restructuring Further Amended Financing Plan			
Sources and Uses			
Sources:			
Warrant Proceeds	Senior	Subordinate	Total
Principal	Lien	Lien	
Current Interest Warrants	\$375,000,000.00	\$750,155,000.00	\$1,125,155,000
Capital Appreciation Warrants	\$55,693,095.85	\$71,935,073.95	\$127,628,170
Convertible Capital Appreciation Warrants	\$69,308,272.15	\$416,317,273.00	\$485,625,545
Total	\$500,001,368.00	\$1,238,407,346.95	\$1,738,408,715
Aggregate principal does not and will not exceed \$1.977 billion amount contained in July 23 Amended Financing Plan.			
Original Issue Premium/Discount	\$3,776,250.00	(\$3,339,364.50)	\$436,885.50
Total Warrant Proceeds	\$503,777,618	\$1,235,067,982	\$1,738,845,600
Other Sources			
Other Sources of Funds			-
Cash from System Available to Closing			\$2,700,979
Total Sources	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Uses:			
Proceeds to Creditors	\$472,872,558.42	\$1,224,940,167.30	\$1,700,513,704.88
Warrant Insurance Premium	\$26,816,000.00	-	\$26,816,000.00
Debt Service Reserve Fund Deposit	-	-	-
Underwriter's Discount	\$3,370,009.22	\$8,346,865.52	\$11,716,874.74
Costs of Issuance	\$719,050.36	\$1,780,949.64	\$2,500,000.00
Additional Proceeds	-	-	-
Total Uses	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Summary Statistics			
Rate Increases:	Yr. One \$5 & 3.49% NR; 7.89% Yrs. 2-5, 3.49% until excess Cash Flow		
Initial-year increase represents \$5 increase in base charge (residential and nonresidential) and 3.49% increase in volumetric non-residential charges.			
Future Value of Capital Appreciation Warrants			\$489,545,000
Future Value of Convertible Capital Appreciation Warrants			\$987,255,000
Future Value of All Capital Appreciating Warrants			\$1,476,800,000
Anticipated CAPEX Shortfall			\$1,200,006,438
Dated Date			12/3/13
Delivery Date			12/3/13

This Further Amended Financing Plan further amends the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013.

The rates set forth herein are solely for purposes of showing anticipated revenues. It is possible for the County to achieve equivalent revenues through means other than across the board rate increases, such as by tiered rates or minimum charges.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Proceeds to Creditors

Originally Agreed Upon Amount for Creditors*	1,847,000,000.00
Less: Warrant Proceeds & Funds on Hand	1,700,513,704.88
Less: Additional JPMorgan Contribution (1)	100,000,000.00
Less: Sewer Liquidity Bank Contribution	2,764,296.75
Less: Supporting Sewer Warrantholders Contribution	4,000,000.00
Less: Elimination of Put Consideration	13,500,000.00
Less: Additional Sewer Warrant Insurers Contribution (2)	26,250,000.00
Residual Amount Required for Creditors	<u>(28,001.63)</u>

*Amount based on negotiated and assumed distributions to sewer creditors: \$22 million of non-commutation basket, \$165 million to monolines, 65 cent non-commutation distribution, 80 cent commutation distribution (with waivers), and JPM reallocations. Amount does not include distributions to pay, or reimburse insurers for their payment of, preclosing interest and principal scheduled to come due on or after February 1, 2013. In addition, amount is net of Tail Risk considerations.

(1) Contributions in the form of reduced distributions to JPMorgan are in addition to net present value estimated to be approximately \$140,000,000 based on current market conditions, which value will be provided as a result of JPMorgan issuing up to \$180,000,000 face amount (i.e., 10% of the par amount of the new warrants) 40-year letter(s) of credit for deposit to one or more reserve funds under the New Sewer Warrant Indenture. Actual value of the letter(s) of credit will be determined at the time of pricing of the new warrants.

(2) Contributions in the form of reduced distributions to FGIC and Syncora are in addition to net present value estimated to be approximately \$13,750,000 based on current market conditions, which value will be provided as a result of Assured issuing a wrap policy insuring the \$500 million of Senior Lien warrants. Actual value of the wrap insurance policy will be determined at the time of pricing of the new warrants.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Consolidated Cash Flows (\$000's)

Fiscal Year	Net Revenues			Operating Expenses						CAPEX					Free Cash Flow					
	Oct-1 Yr.	Sewer Revenue	Misc. Revs to Debt Service	Total Revs to Debt Service	Net Debt Service	Operating Expenses	Misc. Revs to OpEx	Net Operating Expenses	Net Coverage	Total Revs. Avail. For CAPEX	Target CAPEX	Applied Constr. Fund Monies	Cash Flow Funded CAPEX	Total CAPEX Covered	CAPEX ShortFall	FCF Before Fund Deposit	OpEx Fund Deposit	Net Free Cash Flow	Min OpEx Fund Balance	OpEx Fund Balance
Total		14,270,401	489,077	14,759,477	6,676,847	4,760,631	368,452	4,392,179		3,690,451	5,014,548	159,347	3,655,194	3,814,542	1,199,998	35,257	35,265	2,702		
2013	-																	2,702	16,795	16,795
2014	1	160,120	8,097	168,217	59,847	67,179	6,100	61,079	1.79x	47,292	47,292	-	47,292	47,292	-	-	-	-	16,173	16,795
2015	2	170,143	8,259	178,402	74,495	64,691	6,222	58,469	1.61x	45,438	64,581	20,274	44,307	64,581	-	1,132	1,134	-	16,593	17,929
2016	3	179,496	8,424	187,920	79,434	66,373	6,346	60,027	1.61x	48,459	66,678	19,355	47,323	66,678	-	1,137	1,134	-	17,000	19,063
2017	4	189,336	8,593	197,928	84,726	67,999	6,473	61,526	1.61x	51,676	61,597	11,051	50,546	61,597	-	1,130	1,134	-	17,050	20,196
2018	5	201,936	8,764	210,701	84,450	68,201	6,603	61,599	1.77x	64,652	72,820	9,306	63,515	72,820	-	1,137	1,134	-	17,553	21,330
2019	6	207,963	8,940	216,903	70,495	70,211	6,735	63,476	2.18x	82,931	151,865	70,067	81,798	151,865	-	1,133	1,134	-	17,892	22,464
2020	7	214,117	9,119	223,236	70,495	71,566	6,870	64,697	2.25x	88,044	116,205	29,295	86,910	116,205	-	1,133	1,134	-	19,035	23,598
2021	8	220,474	9,301	229,775	79,200	76,139	7,007	69,132	2.03x	81,442	80,311	-	80,311	80,311	-	1,131	1,134	-	19,598	24,732
2022	9	226,993	9,487	236,480	81,002	78,391	7,147	71,244	2.04x	84,235	83,100	-	83,100	83,100	-	1,134	1,134	-	20,199	25,866
2023	10	234,609	9,677	244,286	84,252	80,796	7,290	73,506	2.03x	86,527	85,397	-	85,397	85,397	-	1,130	1,134	-	20,827	27,000
2024	11	242,526	9,870	252,396	141,219	83,309	7,436	75,873	1.25x	35,304	87,959	-	35,304	35,304	52,655	-	-	-	21,476	27,000
2025	12	250,647	10,068	260,714	145,919	85,902	7,585	78,317	1.25x	36,479	90,598	-	36,479	36,479	54,120	-	-	-	22,144	27,000
2026	13	259,094	10,269	269,363	150,819	88,577	7,736	80,841	1.25x	37,703	93,316	-	37,703	37,703	55,613	-	-	-	22,834	27,000
2027	14	267,844	10,474	278,319	155,894	91,337	7,891	83,446	1.25x	38,979	96,116	-	38,979	38,979	57,137	-	-	-	23,546	27,000
2028	15	276,913	10,684	287,597	161,169	94,186	8,049	86,137	1.25x	40,292	98,999	-	40,292	40,292	58,707	-	-	-	24,281	27,000
2029	16	286,213	10,898	297,111	166,559	97,124	8,210	88,915	1.25x	41,638	101,969	-	41,638	41,638	60,331	-	-	-	25,039	27,000
2030	17	295,851	11,115	306,966	172,149	100,157	8,374	91,783	1.25x	43,035	105,028	-	43,035	43,035	61,993	-	-	-	25,821	27,000
2031	18	305,829	11,338	317,166	177,934	103,286	8,541	94,744	1.25x	44,489	108,179	-	44,489	44,489	63,690	-	-	-	26,629	27,000
2032	19	316,136	11,565	327,700	183,919	106,515	8,712	97,802	1.25x	45,979	111,424	-	45,518	45,518	65,907	462	462	-	27,462	27,462
2033	20	326,778	11,796	338,573	190,094	109,846	8,887	100,960	1.25x	47,520	114,767	-	46,660	46,660	68,107	860	860	-	28,321	28,321
2034	21	337,783	12,032	349,815	196,474	113,285	9,064	104,220	1.25x	49,121	118,210	-	48,234	48,234	69,976	887	887	-	29,208	29,208
2035	22	349,154	12,272	361,427	203,074	116,833	9,246	107,587	1.25x	50,766	121,756	-	49,851	49,851	71,906	915	915	-	30,123	30,123
2036	23	360,955	12,518	373,473	209,929	120,494	9,430	111,063	1.25x	52,481	125,409	-	51,537	51,537	73,872	945	945	-	31,068	31,068
2037	24	373,154	12,768	385,922	217,015	124,272	9,619	114,653	1.25x	54,254	129,171	-	53,279	53,279	75,892	975	975	-	32,043	32,043
2038	25	385,806	13,024	398,830	224,377	128,171	9,811	118,360	1.25x	56,093	133,046	-	55,087	55,087	77,959	1,006	1,006	-	33,049	33,049
2039	26	398,831	13,284	412,115	231,940	132,195	10,008	122,187	1.25x	57,987	137,038	-	56,949	56,949	80,088	1,038	1,038	-	34,087	34,087
2040	27	412,351	13,550	425,901	239,809	136,348	10,208	126,140	1.25x	59,953	141,149	-	58,881	58,881	82,268	1,071	1,071	-	35,158	35,158
2041	28	426,282	13,821	440,102	233,170	140,633	10,412	130,221	1.33x	76,712	145,383	-	75,606	75,606	69,777	1,106	1,106	-	36,264	36,264
2042	29	440,690	14,097	454,787	169,469	145,056	10,620	134,436	1.89x	150,883	149,745	-	149,741	149,741	-	1,141	1,141	-	37,405	37,405
2043	30	455,606	14,379	469,985	175,784	149,621	10,833	138,788	1.88x	155,414	154,237	-	154,236	154,236	-	1,178	1,178	-	38,583	38,583
2044	31	471,038	14,667	485,704	182,342	154,331	11,049	143,282	1.88x	160,081	158,864	-	158,865	158,865	-	1,216	1,216	-	39,798	39,798
2045	32	486,953	14,960	501,913	189,106	159,193	11,270	147,923	1.87x	164,883	163,630	-	163,629	163,629	-	1,255	1,255	-	41,053	41,053
2046	33	503,405	15,259	518,664	196,114	164,212	11,496	152,716	1.87x	169,834	168,539	-	168,539	168,539	-	1,295	1,295	-	42,348	42,348
2047	34	520,485	15,564	536,049	203,448	169,391	11,726	157,665	1.86x	174,936	173,595	-	173,599	173,599	-	1,336	1,336	-	43,684	43,684
2048	35	538,099	15,876	553,975	211,016	174,736	11,960	162,776	1.85x	180,182	178,803	-	178,803	178,803	-	1,379	1,379	-	45,063	45,063
2049	36	556,360	16,193	572,553	218,910	180,253	12,199	168,054	1.85x	185,589	184,167	-	184,165	184,165	-	1,424	1,424	-	46,487	46,487
2050	37	575,167	16,517	591,684	227,018	185,948	12,443	173,505	1.84x	191,161	189,692	-	189,692	189,692	-	1,469	1,469	-	47,956	47,956
2051	38	594,684	16,847	611,531	235,499	191,826	12,692	179,134	1.84x	196,899	195,383	-	195,382	195,382	-	1,517	1,517	-	49,473	49,473
2052	39	614,869	17,184	632,053	244,297	197,893	12,946	184,947	1.83x	202,810	201,245	-	201,244	201,244	-	1,566	1,566	-	51,039	51,039
2053	40	635,713	17,528	653,241	253,991	204,155	13,205	190,950	1.82x	208,300	207,282	-	207,279	207,279	-	1,021	1,021	-	52,059	52,059

SUPPLEMENT TO PLAN SUPPORT AGREEMENT

This SUPPLEMENT TO PLAN SUPPORT AGREEMENT (this “Supplement”), dated as of November 6, 2013, is made and entered into as a supplement to that certain *Plan Support Agreement* dated as of June 6, 2013, by and among Jefferson County, Alabama, the “Supporting Warrantholders” from time to time party thereto, and JPMorgan Chase Bank, N.A. (the “PSA”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the PSA. This Supplement constitutes a writing signed by the County, all Supporting Warrantholders, and JPMorgan for purposes of Section 9.6(c) of the PSA.

1. Revised Plan Is an Acceptable Plan. Notwithstanding anything to the contrary contained in the PSA, any term sheet, or any other document, a plan in the form of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama* attached hereto as Annex 1 (the “Revised Plan”) shall constitute an “Acceptable Plan” for all purposes under the PSA.

2. Consent Under Rule 3019(a). By their execution of this Supplement, each of the Supporting Warrantholders acknowledges and agrees that (a) all modifications made to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the “Prior Plan”) by the Revised Plan are accepted by such Supporting Warrantholder; and (b) pursuant to Federal Rule of Bankruptcy Procedure 3019(a), all ballots cast by such Supporting Warrantholder to accept the Prior Plan shall be deemed to be ballots cast to accept the Revised Plan. All Supporting Warrantholders agree that the County may attach this Supplement as an exhibit to a notice of plan modifications filed with the Bankruptcy Court and that this Supplement shall evidence all Supporting Warrantholders’ acceptance in writing of all such modifications for purposes of Federal Rule of Bankruptcy Procedure 3019(a).

3. Commitment to Consummate Financing. The County shall exercise all reasonable efforts to consummate a financing transaction substantially as set forth in that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013, a copy of which is attached hereto as Annex 2 (the “Further Amended Financing Plan”) and to maximize the amount of Excess Refinancing Proceeds (as defined in the Revised Plan) generated by such transaction; *provided, however*, that the County shall not be required to structure the issuance of the New Sewer Warrants (as defined in the Revised Plan) (the “Refinancing”) so as to produce any Excess Refinancing Proceeds to the extent that any such structure would involve economic modifications adverse to the ratepayers or the system in any material respect. For the avoidance of doubt, under no circumstances shall the County be required to structure the Refinancing so as to increase the amount of any Excess Refinancing Proceeds if in order to do so the County would be required to modify the Approved Rate Structure to increase sewer rates or other charges.

4. Notice Waivers. All Supporting Warrantholders and JPMorgan (a) waive any requirement under the PSA that the County provide further written notice of the Further Amended Financing Plan (whether as an amendment to the Financing Plan or otherwise); and (b) waive any prior breach or potential breach of the PSA that could result from the County not giving written notice of the Further Amended Financing Plan prior to the date of this Supplement to the extent required by Section 4(d) of the PSA. All Supporting Warrantholders and JPMorgan further waive any requirement under the PSA that the County provide written notice of the

supplements to the JPMorgan PSA and to the Sewer Warrant Insurer PSA that will be executed by the County and the applicable counterparties contemporaneously with the execution of this Supplement.

5. Extension of Confirmation Deadline. The references to “November 25, 2013” in Sections 8.1(o)(iii) and 8.1(o)(iv) of the PSA as the outside date for the Bankruptcy Court to enter the Confirmation Order and an order (which may be the Confirmation Order) validating the New Sewer Warrants are hereby deleted and replaced with “December 9, 2013”, and corresponding changes are deemed to be made in any applicable term sheets.

6. Revised Form of Joinder. The form of Transfer Agreement included as Exhibit B-1 to the PSA is hereby superseded and replaced by the form of *Joinder to Plan Support Agreement* attached hereto as **Annex 3**.

7. No Other Revisions to the PSA. Other than as expressly set forth herein, the execution, delivery, and effectiveness of this Supplement shall not operate as a waiver of any right, power, or remedy of any Party under the PSA, nor constitute a waiver of any provision of the PSA. Other than as expressly set forth herein, the PSA shall remain unchanged and in full force and effect in accordance with its terms. This Supplement shall be deemed to be a part of the PSA for all purposes.

8. Governing Law. This Supplement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. Any dispute with respect to this Supplement shall be resolved by the Bankruptcy Court.

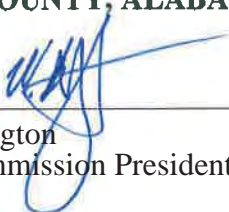
9. Execution of this Supplement. This Supplement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Delivery of an executed signature page of this Supplement by telecopier or email shall be as effective as delivery of a manually executed signature page of this Supplement. Each Party represents that each individual executing this Supplement on behalf of such Party has been duly authorized and empowered to execute and deliver this Supplement on behalf of such Party.

10. Right to Terminate. If the New York State Department of Financial Services fails to approve FGIC’s execution and performance of that certain supplement to the Sewer Warrant Insurer PSA dated as of November 6, 2013, on or before November 8, 2013, or any later date agreed in writing by the County and FGIC for obtaining such approval, then the Majority Eligible Warrantholders, JPMorgan, or the County may terminate this Supplement by written notice to each other Party.

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IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA



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

JPMorgan Chase Bank, N.A.

By:
Its:


[Signature pages for each Supporting Warrantholder follow separately below]

IN WITNESS WHEREOF, the Parties have entered into this Supplement as of the date first written above.

JEFFERSON COUNTY, ALABAMA

By:
Its:

JPMorgan Chase Bank, N.A.



By: WILLIAM A AUSTIN
Its: EXECUTIVE DIRECTOR

[Signature pages for each Supporting Warrantholder follow separately below]

BRIGADE CAPITAL MANAGEMENT, LLC, *on behalf of certain managed funds and investment vehicles*

By: 
Name: Carney Hawks
Title: Partner

Address for Notices:

Brigade Capital Management, LLC
399 Park Avenue
16th Floor
New York, NY 10022
Attn: Carney Hawks
Email: ch@brigadecapital.com

[Signature Page to Supplement to the Plan Support Agreement]

CLAREN ROAD CREDIT OPPORTUNITIES
MASTER FUND, LTD.

By: 

Name: ALBERT MARINO

Title: DIRECTOR

Address for Notices:

Claren Road Credit Opportunities Master Fund, Ltd.
c/o Claren Road Asset Management, LLC
900 Third Avenue
29th Floor
New York, NY 10022
Attn: Legal Department
Email: ruberti@clarenroad.com; Heimowitz@clarenroad.com

[Signature Page to Supplement to the Plan Support Agreement]

CLAREN ROAD CREDIT MASTER FUND, LTD.

By: 

Name: Albert Marino

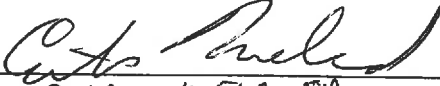
Title: Director

Address for Notices:

Claren Road Credit Master Fund, Ltd.
c/o Claren Road Asset Management, LLC
900 Third Avenue
29th Floor
New York, NY 10022
Attn: Legal Department
Email: ruberti@clarenroad.com; Heimowitz@clarenroad.com

[Signature Page to Supplement to the Plan Support Agreement]

GLENDON CAPITAL MANAGEMENT L.P., on
behalf of its advised accounts

By: 
Name: EITAN MELAMED
Title: PARTNER

Address for Notices:

Glendon Capital Management L.P.
1620 26th Street, Suite 2000N
Santa Monica, CA 90404
Attn: EITAN MELAMED
Email: emelamed@glendoncap.com


[Signature Page to Supplement to the Plan Support Agreement]

EMERALD EAGLE HOLDINGS, L.L.C.

By:

Name:

Title:


Jonathan Smith
Authorized signatory

Address for Notices:

Emerald Eagle Holdings, L.L.C.
c/o Trade Claims
P.O. Box 1203
New York, NY 10150
claims@emeraldeagle.net


[Signature Page to Supplement to the Plan Support Agreement]

EMERALD EAGLE HOLDINGS SOUTH, L.L.C.

By:

Name:

Title:


Jonathan Smith
authorized signatory

Address for Notices:

Emerald Eagle Holdings South, L.L.C.
c/o Trade Claims
P.O. Box 1211
New York, NY 10150
bankruptcy@eaglesouth.net

[Signature Page to Supplement to the Plan Support Agreement]

MONARCH RESEARCH ALPHA MASTER FUND LTD
MONARCH ALTERNATIVE SOLUTIONS MASTER
FUND LTD
MONARCH CPITAL MASTER PARTNERS II-A LP
MONARCH DEBT RECOVERY MASTER FUND LTD
MONARCH OPPORTUNITIES MASTER FUND LTD
P MONARCH RECOVERY LTD.
MONARCH CAYMAN FUND LIMITED
MONARCH CAPITAL MASTER PARTNERS II LP
MONARCH CAPITAL MASTER PARTNERS LP
OAKFORD MF LIMITED

By: MONARCH ALTERNATIVE CAPITAL LP,
*solely as investment manager to the above
entities*

By: _____
Name: _____
Title: _____
Andrew J. Herenstein
Managing Principal

Address for Notices:

Monarch Alternative Capital LP
535 Madison Avenue
New York, NY 10022
Attn: Michael Kelly, Managing Principal – Chief Legal Officer
Email: michael.kelly@monarchlp.com

[Signature Page to Supplement to the Plan Support Agreement]

RED MOUNTAIN HOLDINGS LLC

By: _____

Name: Andrew Herenstein

Title: AUTHORIZED PERSON

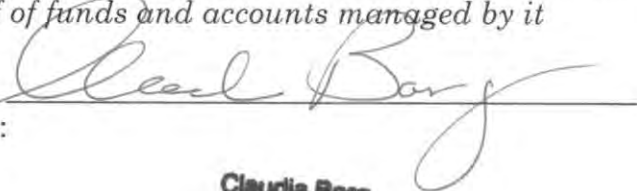
Address for Notices:

Red Mountain Holdings LLC
535 Madison Avenue
New York, NY 10022
Attn: Michael Gillin
Email: michael.gillin@monarchlp.com

[Signature Page to Supplement to the Plan Support Agreement]

STONE LION CAPITAL PARTNERS L.P., *on
behalf of funds and accounts managed by it*

By: _____
Name:
Title:



Claudia Borg
General Counsel

Address for Notices:

Stone Lion Capital Partners L.P.
555 Fifth Avenue
18th Floor
New York, NY 10017
Attn:
Email:

[Signature Page to Supplement to the Plan Support Agreement]

Citigroup Global Markets Inc.

By: 

Name:

Title:

Mark Ryan
Managing Director

Address for Notices:

Citigroup Global Markets Inc.
390 Greenwich Street
New York, NY 10013
Attn: Mark Ryan
Email: mark.a.ryan@citi.com

[Signature Page to Supplement to the Plan Support Agreement]

Annex 1
Revised Plan

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

In re:

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

Debtor.

)
)
)
)
)
)
)

Case No. 11-05736-TBB

Chapter 9

**CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA
(DATED November 6, 2013)**

Pursuant to 11 U.S.C. § 941, Jefferson County, Alabama, files this plan of adjustment.

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

As used in the Plan and the Plan's Exhibits, the following Defined Terms shall have the respective meanings specified below:

1. **"503(b)(9) Bar Date"** means June 4, 2012, which is the date established by the Bankruptcy Court as the deadline to file 503(b)(9) Claims.
2. **"503(b)(9) Claim"** means a Claim that is entitled to treatment as an administrative expense under Bankruptcy Code section 503(b)(9).
3. **"Accumulated Sewer Revenues"** means all revenues of the Sewer System that are deposited and retained by the Sewer Warrant Trustee in either the "Jefferson County Sewer System Revenue Account" or the "Jefferson County Sewer System Debt Service Fund" through the Effective Date, in each case without deducting any amounts that may be subject to deduction as "Operating Expenses" under the Sewer Warrant Indenture as a result of any ruling by the Bankruptcy Court regarding the pending dispute about actually incurred professional fees in Adversary Proceeding Number 12-00016-TBB.
4. **"Act 619"** means Act 619 of the Alabama Legislature, 1949 Ala. Acts 949, *et seq.* (Sept. 19, 1949).
5. **"Adjusted Sewer Warrant Principal Amount"** means the amount of principal considered to be outstanding on each of the Sewer Warrants as of January 31, 2013, based upon the records maintained by the Sewer Warrant Trustee, *less* all payments of principal of Sewer Warrants (including principal included within the Sewer Warrant Insurers Outlay Amount) to be made on the Effective Date from the Accumulated Sewer Revenues as set forth in Section 4.6(a) of the Plan. The aggregate Adjusted Sewer Warrant Principal Amount with respect to all Sewer Warrants as of the Effective Date is anticipated to be approximately \$3.078 billion.
6. **"Administrative Claim"** means a Claim for administrative costs or expenses that is entitled to priority in payment under Bankruptcy Code sections 503(b), 507(a)(2), and 901.
7. **"Administrative Claims Bar Date"** means, unless otherwise ordered by the Bankruptcy Court, the date established by the Bankruptcy Court and set forth in the Confirmation Order as the last day to file proof of an Administrative Claim, which date shall be no more than ninety (90) calendar days after the Effective Date, after which date any Administrative Claim not timely Filed shall be forever barred, and the County shall have no obligation with respect thereto; *provided, however*, that no proof of an Administrative Claim shall be required to be filed if such Administrative Claim shall have been incurred (a) in accordance with an order of the Bankruptcy Court or (b) with the written consent of the County and in the ordinary course of the County's operations.

8. **“Alabama Constitution”** means the Constitution of Alabama of 1901, as amended from time to time thereafter.

9. **“Allowed”** or **“Allowed _____ Claim”** means:

- (a) with respect to a Claim arising prior to the Petition Date (including a 503(b)(9) Claim):
 - (i) either (A) a proof of Claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of Claim is deemed timely Filed either as a result of such Claim being listed on the List of Creditors or by a Final Order; and
 - (ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;
- (b) with respect to a Claim arising on or after the Petition Date (excluding a 503(b)(9) Claim), a Claim that has been allowed pursuant to Section 2.2(a) of the Plan.

Unless otherwise specified in the Plan or by a Final Order of the Bankruptcy Court, an “Allowed Administrative Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, or late charges on such Administrative Claim or Claim from and after the Petition Date. Moreover, any portion of a Claim that is satisfied, released, or waived during the Case is not an Allowed Claim. For the avoidance of doubt, any and all Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

10. **“Ambac”** means Ambac Assurance Corporation.

11. **“Amended and Restated GO Warrant Indentures”** means the new trust indentures delivered in exchange for the GO Warrant Indenture pursuant to Bankruptcy Code section 1123(a)(5)(F), the forms of which indentures are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

12. **“Amended List Bar Date”** means, with respect to a claimant affected by the County’s amendment of the List of Creditors subsequent to the mailing and publication of the Bar Date Notice that reduces the undisputed, non-contingent, or liquidated amount or changes the nature or classification of such claimant’s Claim, the later of (a) either (i) the General Bar Date or (ii) if such claimant is a governmental unit, the Governmental Unit Bar Date; and (b) thirty (30) calendar days after the date that such claimant is served with notice of the amendment to the List of Creditors altering the amount, nature, or classification of such claimant’s Claim.

13. **“Approved Rate Structure”** means the structure of sewer rates and charges approved by the County Commission pursuant to Amendment 73 of the Alabama Constitution and Act 619 to be charged by the County to users of the Sewer System to support the repayment of the New Sewer Warrants so long as any portion of the New Sewer Warrants remain outstanding, which structure is set forth as Exhibit C to the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

14. **“Asserted Full Recourse Sewer Claims”** means any and all Claims based on or related to any Sewer Debt Claims that any Person asserts are general obligations of the County payable from the General Fund, including (a) the Sewer Warrant Trustee’s Asserted Recourse Claim; (b) the unliquidated proofs of Claim for indemnity, fraud, fraud in the inducement, and the like Filed by FGIC; (c) the unliquidated proofs of Claim for indemnity Filed by Assured; (d) the unliquidated proofs of Claim for indemnity Filed by Syncora; and (e) the JPMorgan Asserted Recourse Indemnification Claims.

15. **“Assured”** means Assured Guaranty Municipal Corp., formerly known as Financial Security Assurance, Inc.

16. **“Avoidance Actions”** means all causes of action, claims, remedies, or rights that may be brought by or on behalf of the County under any section contained within chapter 5 of the Bankruptcy Code, or under related state or federal statutes or common law, regardless whether such action has been commenced prior to the Effective Date.

17. **“Avoidance Claim Bar Date”** means, with respect to any Person asserting Claims arising from the avoidance of a transfer under chapter 5 of the Bankruptcy Code, the first Business Day that is at least thirty (30) calendar days after entry of the order or judgment authorizing avoidance of the transfer.

18. **“Ballot”** means the ballot forms distributed to each holder of an Impaired Claim that is entitled to vote to accept or reject the Plan, on which form the holder may cast its vote in respect of the Plan in accordance with the Plan and the Plan Procedures Order, and which must be actually received by the Ballot Tabulator on or before the Ballot Deadline in order to be counted.

19. **“Ballot Deadline”** means the deadline established by the Bankruptcy Court in the Plan Procedures Order for the delivery of executed Ballots to the Ballot Tabulator.

20. **“Ballot Record Date”** means the date established by the Bankruptcy Court in the Plan Procedures Order to determine which Creditors are entitled to vote on the Plan.

21. **“Ballot Tabulator”** means the Claims Agent, or any other Person designated by the County to tabulate Ballots in accordance with the Plan Procedures Order.

22. **“Bank Warrant Claims”** means any and all Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims and Series 2003-B-2 Through B-7 Sewer Claims. For the avoidance of doubt, (i) any Claims on account of Bank Warrants held by any of the Sewer Warrant Insurers are Sewer Warrant Insurers Claims, not Bank Warrant Claims; and (ii) Bank Warrant Claims do not include the Other Standby Sewer Warrant Claims.

23. **“Bank Warrant Default Interest Claims”** means any Claims based on interest that is alleged to have accrued on any Bank Warrants on or before the Petition Date at a “default” rate or as interest on interest, including under the Standby Sewer Warrant Purchase Agreements, and that remained unpaid on the Petition Date.

24. **“Bank Warrants”** means, collectively, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and the Series 2003-B-2 Through B-7 Sewer Warrants.

25. **“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as the same may be amended from time to time to the extent applicable to the Case.

26. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, or any other court that exercises competent jurisdiction over the Case.

27. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Case.

28. **“Bar Date Notice”** means the *Notice of (A) Entry of Order for Relief and (B) Deadlines for Filing Proofs of Claim and Requests for Allowance of Section 503(b)(9) Administrative Expense Claims*, which sets forth certain dates, deadlines, and procedures relevant to filing proofs of Claims in the Case pursuant to the *Order (I) Setting Bar Dates and Procedures for Filing Proofs of Claim; (II) Setting the Bar Date and Procedures for Filing Requests for Allowance of Section 503(b)(9) Claims; and (III) Approving Form and Manner of Serving and Publishing the Notices of Bar Dates and the Entry of the Order for Relief*, as subsequently amended [Docket Nos. 889 & 933].

29. **“Bennett Action”** means that certain adversary proceeding styled as *Andrew Bennett, et al. v. Jefferson County, Alabama and The Bank of New York Mellon, as Indenture Trustee (In re Jefferson County, Alabama)*, Adv. Proc. No. 12-00120 (Bankr. N.D. Ala.).

30. **“Bessemer Indenture”** means that certain *Trust Indenture* dated as of August 1, 2006, between the PBA and the Bessemer Trustee.

31. **“Bessemer Insurer”** means Ambac.

32. **“Bessemer Lease”** means that certain *Lease Agreement* dated August 1, 2006, by and between the County and the PBA.

33. **“Bessemer Lease Claims”** means, collectively, (a) any and all Claims arising from or in connection with the Bessemer Lease, including all Claims resulting from the rejection of the Bessemer Lease under Bankruptcy Code section 365; and (b) any and all Claims that could be asserted (directly or indirectly) by any Person under or in connection with the Bessemer Indenture and the Bessemer Policy, including by any reinsurer regarding the Bessemer Policy or by any holder of warrants issued under the Bessemer Indenture; *provided, however*, that for the avoidance of doubt, the “Bessemer Lease Claims” do not include any Claims arising under the New Bessemer Lease, under the Bessemer Stipulation, or under any Related Documents (as defined in the Bessemer Stipulation) on and after the Effective Date.

34. **“Bessemer Policy”** means that certain *Financial Guaranty Insurance Policy* number 25645BE issued by Ambac on or around August 17, 2006, and insuring certain of the PBA’s obligations under the Bessemer Indenture.

35. **“Bessemer Stipulation”** means that certain *Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes* dated as of November 27, 2012, by and among the County, the PBA, the Bessemer Trustee, and the Bessemer Insurer, which Bessemer Stipulation was approved by order of the Bankruptcy Court on December 20, 2012 [Docket No. 1537].

36. **“Bessemer Trustee”** means First Commercial Bank, in its capacity as Indenture Trustee under the Bessemer Indenture.

37. **“BLB”** means Bayerische Landesbank, New York Branch, formerly known as Bayerische Landesbank Girozentrale.

38. **“BLB GO Claim”** means \$52,937,479.17, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by BLB.

39. **“BNY”** means The Bank of New York Mellon in its capacity as a Sewer Liquidity Bank and not in any other capacity.

40. **“Board of Education Lease Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Warrants or the Board of Education Lease Indenture other than Board of Education Lease Policy Claims.

41. **“Board of Education Lease Debts”** means, together, all Board of Education Lease Claims and all Board of Education Lease Policy Claims.

42. **“Board of Education Lease Indenture”** means that certain *Mortgage and Trust Indenture* dated as of July 1, 2000, between the County and the Board of Education Lease Trustee.

43. **“Board of Education Lease Insurer”** means Assured.

44. **“Board of Education Lease Policy”** means that certain *Municipal Bond Insurance Policy* number 26420-N issued by Assured on or around July 25, 2000.

45. **“Board of Education Lease Policy Claims”** means any and all Claims arising from or in connection with the Board of Education Lease Policy, as well as any and all Claims of the Board of Education Lease Insurer or any Transferee of the Board of Education Lease Insurer arising from or in connection with the Board of Education Lease Indenture, including all Claims arising in connection with any Board of Education Lease Warrants held by the Board of Education Lease Insurer or by any Transferee of the Board of Education Lease Insurer as a result of the Board of Education Lease Insurer’s satisfaction of any claims under the Board of Education Lease Policy, and including any related Reinsurance Claims.

46. **“Board of Education Lease Trustee”** means U.S. Bank National Association, in its capacity as Indenture Trustee under the Board of Education Lease Indenture and as successor to SouthTrust Bank.

47. **“Board of Education Lease Trustee Fee Claims”** means any and all Claims of the Board of Education Lease Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the Board of Education Lease Indenture.

48. **“Board of Education Lease Warrants”** means those certain Limited Obligation School Warrants, Series 2000 issued in the original principal amount of \$45,210,000 and insured by the Board of Education Lease Insurer.

49. **“Business Day”** means any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

50. **“Case”** means the voluntary case commenced by the County under chapter 9 of the Bankruptcy Code and pending before the Bankruptcy Court.

51. **“Cash”** means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

52. **“Causes of Action”** means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims (including equitable subordination claims and statutory subordination claims), subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

53. **“Claim”** means any “claim” as that word is defined by Bankruptcy Code section 101(5) against the County or against property of the County, whether or not asserted in the Case.

54. **“Claims Agent”** means Kurtzman Carson Consultants LLC, the County’s court-appointed claims, noticing, and balloting agent pursuant to 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].

55. **“Claims Bar Date”** means, as applicable, the 503(b)(9) Bar Date, the Administrative Claim Bar Date, the Amended List Bar Date, the Avoidance Claim Bar Date, the General Bar Date, the Governmental Unit Bar Date, and the Rejection Bar Date.

56. **“Claims Objection Deadline”** means, unless extended by the Bankruptcy Court upon a motion Filed by the County, the date that is the later of (a) the first Business Day that is at least 180 calendar days after the Effective Date, and (b) the first Business Day that is at least 180 calendar days after the date on which a proof of Claim in respect of a Claim has been Filed. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court.

57. **“Class”** means a group of Claims as designated in Section 2.3 of the Plan, or any subclass thereof.

58. **“Closing Agreement”** means an agreement between the County and the Internal Revenue Service which, in form and substance acceptable to the County and each of the Sewer Plan Support Parties other than LBSF, resolves the pending audit regarding certain of the Sewer Warrants and confirms the tax-free status of all the Sewer Warrants, with no taxes, costs, or other liabilities to the existing holders of the Sewer Warrants.

59. **“Commutation Election”** means the election or deemed election under the Plan of a holder of Sewer Warrants to unconditionally commute, waive, and forever release, discharge, and forgo (a) any and all Sewer Wrap Payment Rights; (b) any and all Bank Warrant Default Interest Claims; and (c) any and all other Sewer Released Claims against the County, against any of the Sewer Released Parties, or against any of their respective Related Parties.

60. **“Confirmation Date”** means the date on which the Confirmation Order is entered on the docket of the Bankruptcy Court in the Case.

61. **“Confirmation Hearing”** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan as required by Bankruptcy Code section 1128(a), as such hearing may be continued from time to time.

62. **“Confirmation Order”** means the order of the Bankruptcy Court confirming the Plan under Bankruptcy Code section 943(b).

63. **“Consent Decree Claims”** means any and all Claims arising from or in connection with either of the Consent Decrees.

64. **“Consent Decrees”** means the EPA Consent Decree and the Hiring Practices Consent Decree.

65. **“Contingent Claim”** means a Claim that is listed on the List of Creditors as contingent.

66. **“County”** means Jefferson County, Alabama, a political subdivision of the State of Alabama and the chapter 9 debtor in the Case.

67. **“County Commission”** means the duly elected five member Jefferson County Commission, which serves as the governing body of the County pursuant to Alabama Code sections 11-1-5 and 11-3-11.

68. **“Covered Tail Risk”** means Cash equal to each Sewer Warrant Insurer’s Tail Risk to be paid by the County on the Effective Date, the amount of which Cash shall not exceed \$25 million in the aggregate.

69. **“Creditor”** means a Person holding a Claim.

70. **“Cure Payment”** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to Bankruptcy Code section 1123(b)(2).

71. **“Declaratory Judgment Action”** means that certain adversary proceeding commenced by the Sewer Warrant Trustee against the County, Syncora, and Assured on or about February 6, 2013, and styled as *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 13-00019 (Bankr. N.D. Ala.).

72. **“Defined Term”** means any capitalized term that is defined in this Section 1.1 of the Plan.

73. **“Depfa Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

74. **“Deposit Refund Claims”** means any and all Claims for the refund of any deposits paid to and held by the County, including deposits made with respect to applications for permits issued by the County and security deposits paid to the County with respect to the provision of services by the County.

75. **“Disallowed Claim”** means a Claim that (a) is not listed on the List of Creditors, or is listed thereon as contingent, unliquidated, disputed, or in an amount equal to zero, and whose holder failed to timely File a proof of Claim by the applicable Claims Bar Date; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

76. **“Disclosure Statement”** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125, as it subsequently may be amended, modified, or supplemented by the County.

77. **“Disputed Claim”** means a Claim:

- (a) as to which a proof of Claim is Filed or is deemed Filed as a result of such Claim being listed on the List of Creditors; and
- (b) as to which:
 - (i) an objection or request for estimation (A) has been timely Filed, and (B) has not been denied by a Final Order or withdrawn; or
 - (ii) is a Claim that is listed on the List of Creditors as disputed; or
 - (iii) is disputed in whole or in part under the Plan.

78. **“Distribution”** means any initial or subsequent issuance, payment, or transfer of consideration made under the Plan.

79. **“Distribution Record Date”** means (a) the first Business Day that is at least ten (10) calendar days after the Confirmation Date; or (b) such later date before the Effective Date as the County (i) reasonably determines, after consultation with the Sewer Plan Support Parties and the Sewer Warrant Trustee, is feasible in light of the anticipated date of the Effective Date and (ii) specifies in a notice Filed with the Bankruptcy Court.

80. **“DTC”** means The Depository Trust Company.

81. **“Effective Date”** means a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which the conditions set forth in Section 4.18(a) of the Plan have been satisfied or waived by the County and by any other necessary parties in accordance with Section 4.18(b) of the Plan.

82. **“Eligible Sewer Warrants”** means the Sewer Warrants held by the Supporting Sewer Warrantholders as of the date of execution of the Supporting Sewer Warrantholder Plan Support Agreement and set forth opposite each such Supporting Sewer Warrantholder’s name on Schedule 1 thereto.

83. **“Eminent Domain Claims”** means any and all Claims for actual damages arising directly from the County’s exercise of its power of eminent domain or condemnation.

84. **“Employee Compensation Claims”** means any and all Claims of Persons employed by the County or the State of Alabama as of the Petition Date that the County is required to compensate by agreement or applicable law, for all forms of compensation including unpaid wages, salaries, accrued vacation, compensation or “comp” time, pension contributions, health insurance premiums, and sick pay arising prior to the Petition Date and remaining outstanding on the Effective Date.

85. **“Employee Indemnification Claims”** means any and all Claims for legal representation or indemnification made by Persons currently or formerly employed by either the County or such boards, agencies, and commissions designated by the County Commission, with regard to civil claims for which such Persons may be legally obligated to pay where the incident or occurrence giving rise to such representation or claim was one arising out of and within the line and scope of their employment, pursuant to the limitations and upon the conditions specified by the County Commission or applicable law.

86. **“EPA Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 9, 1996, in the litigation styled as *Kipp, et al. v. Jefferson County, Alabama*, Civil Action No. 93-G-2492-S (N.D. Ala.) and *United States v. Jefferson County, Alabama*, Civil Action No. 94-G-2947-S (N.D. Ala.).

87. **“Excess Refinancing Proceeds”** means an amount equal to the sum of (a) the amount of Refinancing Proceeds, if any, generated due to a difference between (1) the rates (yields) actually realized upon the issuance of the New Sewer Warrants, and (2) the rates (yields) assumed to be realized in the Further Amended Financing Plan; and (b) the amount of the excess, if any, when (1) the aggregate amount of the Distributions and other payments actually made under the Plan on account of all Sewer Debt Claims (including as a result of the ultimate Tail Risk resulting from the rescission process for holders of the Series 2003-C-9 Through C-10

Sewer Warrants that are deemed to make the Commutation Election), before giving effect to any Distributions made under Section 4.19 of the Plan, is subtracted from (2) the aggregate amount of the Distributions and other payments projected to be made under the Plan on account of all Sewer Debt Claims as set forth in the Further Amended Financing Plan.

88. **“Excess Refinancing Proceeds – First Tranche”** means the first \$30,000,000 of Excess Refinancing Proceeds.

89. **“Excess Refinancing Proceeds – Second Tranche”** means any and all Excess Refinancing Proceeds in excess of \$30,000,000 but less than or equal to \$160,000,000. For the avoidance of doubt, in no event shall the amount of the Excess Refinancing Proceeds – Second Tranche exceed \$130,000,000.

90. **“Excess Refinancing Proceeds – Third Tranche”** means any and all Excess Refinancing Proceeds in excess of \$160,000,000; *provided, however*, that in no event shall the amount of the Excess Refinancing Proceeds – Third Tranche exceed the amount of the present value (as reasonably determined by the lead underwriter for the New Sewer Warrants) provided by the Reserve Fund LOC to the financing transaction associated with the issuance of the New Sewer Warrants.

91. **“Federal Court Receivership Action”** means *The Bank of New York Mellon, as Trustee v. Jefferson County, Alabama, et al.*, Case No. 2:08-cv-1703-RDP, pending in the United States District Court for the Northern District of Alabama, Southern Division.

92. **“FGIC”** means Financial Guaranty Insurance Company.

93. **“FGIC Assured-Insured Warrant Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants held by FGIC as an investment as of the date of the execution of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers.

94. **“FGIC Rehabilitator”** means Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, solely in his capacity as the rehabilitator of FGIC in the matter styled as *In the Matter of the Rehabilitation of Financial Guaranty Insurance Company*, Index No. 401265/2012 (N.Y. Sup. Ct.).

95. **“File”** or **“Filed”** means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Bankruptcy Court in the Case, except with respect to proofs of claim that must be filed with the Claims Agent pursuant to the Bar Date Notice, in which case “File” or “Filed” means duly and properly filed with the Claims Agent and reflected on the official claims register maintained by the Claims Agent.

96. **“Final Order”** means an order or judgment of the Bankruptcy Court entered on the docket of the Bankruptcy Court in the Case:

(a) that has not been reversed, rescinded, stayed, modified, or amended;

(b) that is in full force and effect; and

- (c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

For the avoidance of doubt, no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be filed with respect to such order.

97. **“Further Amended Financing Plan”** means that certain Further Amended Financing Plan approved by the County Commission on October 31, 2013.

98. **“Future Tax Proceeds”** means any future excess tax proceeds available for mandatory redemptions under the School Warrant Indenture.

99. **“General Bar Date”** means June 4, 2012, which is the date established by the Bankruptcy Court as the general deadline for Creditors to file proofs of Claims against the County.

100. **“General Fund”** means the County’s general operating fund.

101. **“General Liability Claim”** means a Claim, arising in tort or otherwise, for damages arising from or relating to death, injury to a Person, damage to or loss of property, or any other injury that a Person may suffer to his, her, or its Person, reputation, character, feelings, or estate.

102. **“General Unsecured Claim”** means a Claim that is not an Administrative Claim, a Bessemer Lease Claim, a Board of Education Lease Debt Claim, a GO Debt Claim, an Other Unimpaired Claim, a Professional Fee Claim, a Secured Claim, a Special Revenues Claim, or a Subordinated Claim. General Unsecured Claims include the Asserted Full Recourse Sewer Claims, Rejection Damage Claims, and the Uninsured Portion of General Liability Claims.

103. **“General Unsecured Claims Pool”** means the sum of \$5 million, which will be contributed from the General Fund to a segregated, interest-bearing account on the Effective Date, plus all interest paid by the depository institution with respect to such sum through and including the GUC Payment Date.

104. **“GO Acknowledgment”** means the provisions set forth in Exhibit D to the Plan, which the County will include in the proposed form of Confirmation Order.

105. **“GO Banks”** means, together, BLB and JPMorgan Chase Bank, N.A.

106. **“GO Debt Claims”** means, collectively, all GO Policy Claims, all GO Swap Agreement Claims, and all GO Warrant Claims.

107. **“GO Events of Default”** means all defaults or breaches by the County of either of the GO Resolutions, including any failure of the County to pay amounts due and owing on any of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants when due.

108. **“GO Insurance Policies”** means, together, (a) that certain *Financial Guaranty Insurance Policy* number 40587 issued by National on or around March 19, 2003; and (b) that certain *Financial Guaranty Insurance Policy* number 44671 issued by National on or around August 10, 2004.

109. **“GO Paying Agents”** means, together, (a) The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent with respect to the Series 2003-A GO Warrants; and (b) U.S. Bank National Association, in its capacity as successor paying agent with respect to the Series 2004-A GO Warrants.

110. **“GO Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of May 13, 2013, by and among the County, the GO Banks, and the GO Warrant Trustee.

111. **“GO Plan Support Parties”** means, collectively, the GO Banks, the GO Warrant Trustee, and National.

112. **“GO Policy Claims”** means any and all Claims arising from or in connection with the GO Insurance Policies, as well as any and all Claims of the GO Warrant Insurer or any Transferee of the GO Warrant Insurer arising from or in connection with the GO Resolutions, including all Claims arising in connection with any Series 2003-A GO Warrants or Series 2004-A GO Warrants held by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer’s satisfaction of any claim under any of the GO Insurance Policies, including the National Fees and Expenses Claims and the National Reimbursement Claims, and including any related Reinsurance Claims.

113. **“GO Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the GO Insurance Policies, the GO Resolutions, the GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement, but excluding (a) all obligations imposed by the Plan, the Amended and Restated GO Warrant Indentures, and the Replacement 2001-B GO Warrants; and (b) any Claim held by a GO Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also GO Released Parties.

114. **“GO Released Parties”** means each of the County, the GO Banks, the GO Warrant Trustee, and National.

115. **“GO Resolution 2003-A”** means that certain *Resolution and Order*, including any documents annexed thereto, adopted by the County Commission at a meeting held on March 6, 2003, and authorizing the issuance of the Series 2003-A GO Warrants.

116. **“GO Resolution 2004-A”** means that certain *Resolution and Order Authorizing the Issuance of General Obligation Warrants, Series 2004-A*, including any documents annexed thereto, adopted by the County Commission at a meeting held on July 27, 2004, and authorizing the issuance of the Series 2004-A GO Warrants.

117. **“GO Resolutions”** means, together, the GO Resolution 2003-A and the GO Resolution 2004-A.

118. **“GO Swap Agreement”** means that certain *ISDA Master Agreement* dated as of March 23, 2001, between the County and JPMorgan Chase Bank, N.A., as amended, supplemented, or otherwise modified, including by the *Schedule* thereto dated as of March 23, 2001, and collectively with the *Confirmation* dated April 26, 2001 and any other schedules, annexes, or confirmations related thereto

119. **“GO Swap Agreement Claims”** means any and all Claims arising under the GO Swap Agreement, including with respect to all “Transactions” (as defined in the GO Swap Agreement) thereunder.

120. **“GO Warrant Claims”** means any and all Series 2001-B GO Claims, Series 2003-A GO Claims, and Series 2004-A GO Claims.

121. **“GO Warrant Indenture”** means that certain *Trust Indenture* dated as of July 1, 2001, between the County and the GO Warrant Trustee.

122. **“GO Warrant Insurer”** means National.

123. **“GO Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as Indenture Trustee under the GO Warrant Indenture and as successor to The Bank of New York.

124. **“GO Warrant Trustee Fee Claims”** means any and all Claims of the GO Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the GO Warrant Indenture.

125. **“GO Warrants”** means, collectively, the Series 2001-B GO Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants.

126. **“Governmental Unit Bar Date”** means August 31, 2012, which is the date established by the Bankruptcy Court as the deadline for governmental units to file proofs of Claims.

127. **“GUC Payment Date”** means the later of (a) the third (3rd) annual anniversary of the Effective Date, and (b) the date on which all objections that the County Files regarding

any General Unsecured Claims on or before the Claims Objection Deadline have been settled or resolved by Final Orders.

128. **“Hiring Practices Consent Decree”** means that certain Consent Decree entered by the United States District Court for the Northern District of Alabama on December 29, 1982, in the litigation styled as *United States of America v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS (N.D. Ala.).

129. **“Impaired”** means “impaired” within the definition of Bankruptcy Code section 1124.

130. **“Indenture Trustees”** means, collectively, the Board of Education Lease Trustee, the GO Warrant Trustee, the School Warrant Trustee, and the Sewer Warrant Trustee.

131. **“Insured Portion”** means that portion of an Allowed General Liability Claim that is covered by insurance by one or more policies providing coverage to or on behalf of the County or any of its employees, including any excess coverage policies.

132. **“JPMorgan Asserted Recourse Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Warrant Purchase Agreements*, dated as of March 6, 2002, September 18, 2002, October 24, 2002, April 30, 2003, and August 5, 2003, in each case by and between the County and JPMS.

133. **“JPMorgan GO Claim”** means \$52,185,812.50, which sum represents the amount of principal and prepetition non-default interest due and owing by the County on account of the Series 2001-B GO Warrants held by JPMorgan Chase Bank, N.A.

134. **“JPMorgan Parties”** means, collectively, JPMorgan Chase Bank, N.A., JPMS, and any of their respective affiliates holding Sewer Warrant Claims or Bank Warrant Claims, and for purposes of the definition of Sewer Released Parties, the term JPMorgan Parties shall also include Bear Stearns Capital Markets Inc.

135. **“JPMorgan Sewer Revenue Indemnification Claims”** means any and all Claims arising from or in connection with any of those certain *Remarketing and Interest Services Agreements*, dated as of February 1, 2002, May 1, 2003, and May 1, 2003, in each case by and between the County and JPMS.

136. **“JPMS”** means J.P. Morgan Securities LLC, formerly known as J.P. Morgan Securities Inc.

137. **“LBSF”** means Lehman Brothers Special Financing Inc.

138. **“LBSF Periodic Payment Claim”** means an asserted Claim of \$1,002,754.42, which allegedly represents the net total periodic payments that had accrued and were due to LBSF at the time of the termination of the LBSF Swap Agreement, plus interest thereon through the Petition Date for a total asserted Claim of \$1,656,230.21.

139. **“LBSF Swap Agreement”** means that certain *ISDA Master Agreement* dated as of October 23, 2002, between the County and LBSF, as subsequently amended via an amendment dated as of September 14, 2006, and together with all schedules, annexes, and confirmations related thereto.

140. **“Liquidity Agent Standby Sewer Warrant Claims”** means any and all Claims of JPMorgan Chase Bank, N.A. in its capacity as liquidity agent under the Standby Sewer Warrant Purchase Agreements, including any and all Claims for reimbursement or indemnification in such capacity.

141. **“List of Creditors”** means the list of Creditors Filed by the County in the Case pursuant to Bankruptcy Code section 924 and Bankruptcy Rule 1007(e), as it has been or subsequently may be modified or amended by the County [Docket Nos. 410 & 932].

142. **“National”** means National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

143. **“National Fees and Expenses Claims”** means any and all Claims on account of fees, expenses, or costs incurred by National prior to the Effective Date that arise from or are related to the Case, the Series 2003-A GO Warrants, the Series 2004-A GO Warrants, the GO Resolutions, or the GO Insurance Policies, including National’s attorneys’ and other professionals’ fees and expenses.

144. **“National Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 27, 2013, by and between the County and National.

145. **“National Reimbursement Claims”** means any and all Claims arising under the GO Insurance Policies or the GO Resolutions from or in connection with the County’s failure to pay interest accruing on the Series 2003-A GO Warrants or on the Series 2004-A GO Warrants during the period from the Petition Date through the Effective Date.

146. **“National Reimbursement Payments”** means the following amounts that are payable, subject to the County’s prepayment rights under Section 2.3(r) of the Plan, on the following dates: (a) \$2,854,321.62 payable on April 1, 2025; (b) \$2,854,321.62 payable on April 1, 2026; and (c) \$2,854,321.63 payable on April 1, 2027.

147. **“New Bank Rate”** means the Prime Rate (as defined in the Standby School Warrant Purchase Agreement) plus 2.25%.

148. **“New Bessemer Lease”** means that certain *Lease Agreement* dated as of January 1, 2013, which the County and the PBA entered into pursuant to the Bessemer Stipulation.

149. **“New First Supplemental Sewer Warrant Indenture”** means that certain First Supplemental Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the Reserve Fund Reimbursement Warrants, the form of which supplemental indenture is included in the Plan Supplement.

150. **“New Sewer Warrant Indenture”** means, collectively, (a) that certain Trust Indenture dated December 1, 2013, between the County and the New Sewer Warrant Trustee pursuant to which the County will issue the New Sewer Warrants, the form of which trust indenture is included in the Plan Supplement; and (b) the New First Supplemental Sewer Warrant Indenture.

151. **“New Sewer Warrant Trustee”** means Wells Fargo Bank, National Association, in its capacity as trustee under the New Sewer Warrant Indenture.

152. **“New Sewer Warrants”** means (a) the new sewer warrants issued by the County under the Plan, secured by the collateral specified in the New Sewer Warrant Indenture, and governed by the New Sewer Warrant Indenture, the forms of which sewer warrants are included in the Plan Supplement; and (b) when issued, the Reserve Fund Reimbursement Warrants.

153. **“New Sewer Wrap Policy”** means that certain municipal bond insurance policy to be issued by Assured on the Effective Date guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants (as that term is defined in the New Sewer Warrant Indenture) when due on substantially the terms set forth in the Further Amended Financing Plan and the forms of operative documents to be Filed as part of the Plan Supplement.

154. **“Non-Commutation True-Up Amount”** means an aggregate amount equal to, with respect to each Sewer Warrant held by a Person that elects not to make or is deemed not to make the Commutation Election, the difference between (a) 80% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant, and (b) 65% of the Adjusted Sewer Warrant Principal Amount of such Sewer Warrant.

155. **“OPEB Plan”** means the single-employer, post-retirement welfare benefit plan sponsored by the County in accordance with the resolution of the County Commission first approved on September 25, 1990, and approved from time to time thereafter.

156. **“OPEB Plan Claims”** means any and all Claims of the OPEB Plan.

157. **“Other Secured Claims”** means any Secured Claims that are not otherwise expressly classified under the Plan.

158. **“Other Specified Sewer Claims”** means any and all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim.

159. **“Other Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements other than any Claims on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements). For the avoidance of doubt, the Other Standby Sewer Warrant Claims include the Liquidity Agent Standby Sewer Warrant Claims and any and all other Claims for reimbursement or indemnification, including with respect to any fees or expenses (including professional fees), of any party (other than the County) to the Standby Sewer Warrant Purchase Agreements.

160. **“Other Unimpaired Claims”** means any and all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims.

161. **“Outstanding Amount”** means, with respect to any series or subseries of non-commuted Sewer Warrants, (a) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on the Effective Date, the outstanding principal (after giving effect to all Distributions contemplated by the Plan) owing on such series or subseries of Sewer Warrants as of the Effective Date; or (b) if the applicable Sewer Warrant Insurer elects (irrespective of the terms of the applicable Sewer Wrap Policy) to make payments under Section 4.15(h) of the Plan on a date after the Effective Date, the sum of (i) the outstanding principal (after giving effect to all Distributions contemplated by the Plan and any principal payments theretofore made by the applicable Sewer Warrant Insurer on or after the Effective Date) owing on such series or subseries of Sewer Warrants as of the date on which the applicable Sewer Warrant Insurer elects to pay outstanding accelerated principal and interest, and (ii) all interest accrued and unpaid on such series or subseries of Sewer Warrants after the Effective Date through the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries.

162. **“Pass-Through Obligation Claims”** means any and all Claims of the Birmingham-Jefferson Civic Center Authority, the State of Alabama, cities, towns, school districts, school boards, and other municipalities for taxes and other funds due to them or to any applicable trustee on their behalf that the County, under applicable state law, has collected on their behalf and is obligated to remit to them or to any applicable trustee on their behalf.

163. **“PBA”** means the Jefferson County Public Building Authority.

164. **“Permanent Injunction”** has the meaning set forth in Section 6.2 of the Plan.

165. **“Person”** means any person or organization created or recognized by law, including any association, company, cooperative, corporation, entity, estate, individual, joint stock company, joint venture, limited liability company, partnership, trust, unincorporated organization, or government or any political subdivision thereof.

166. **“Petition Date”** means November 9, 2011.

167. **“Plan”** means this *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)*, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time by the County in accordance with the terms hereof and Bankruptcy Code section 942.

168. **“Plan Procedures Order”** means 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], as clarified by the *Order Granting Jefferson County’s Motion for Clarification of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9*

Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)”, and (B) Related Confirmation Procedures, Deadlines, and Notices [Docket No. 2102].

169. **“Plan Supplement”** means that certain compilation of documents, forms of documents, schedules, and exhibits that was Filed by the County on September 30, 2013 [Docket No. 2101], as amended and supplemented prior to the Confirmation Hearing.

170. **“Plan Support Agreements”** means, collectively, the Depfa Plan Support Agreement, the GO Plan Support Agreement, the National Plan Support Agreement, and the Sewer Plan Support Agreements, in each case collectively with all exhibits and schedules thereto.

171. **“Plan Support Parties”** means, collectively, Depfa Bank PLC, the GO Plan Support Parties, and the Sewer Plan Support Parties.

172. **“Preserved Claims”** means all Causes of Action of the County, including the Avoidance Actions and other Causes of Action identified on Exhibit A to the Plan, against the Persons identified thereon, but excluding all Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court. The failure to specifically identify in the Disclosure Statement or the Plan any potential or existing Causes of Action as a Preserved Claim is not intended to and shall not limit the rights of the County to pursue any such Causes of Action. The County expressly reserves all Causes of Action, other than those Causes of Action that are expressly waived, relinquished, released, compromised, or settled in the Plan, pursuant to the Confirmation Order, or pursuant to any other order of the Bankruptcy Court, as Preserved Claims for later adjudication, and no preclusion doctrine (including the doctrines of *res judicata*, collateral estoppel, judicial estoppel, equitable estoppel, issue preclusion, claim preclusion, and laches) shall apply to such Causes of Action as Preserved Claims on or after the Effective Date.

173. **“Primary Standby Sewer Warrant Claims”** means any and all Claims arising from or in connection with the Standby Sewer Warrant Purchase Agreements on account of principal, interest, or the Facility Fee (as defined in the Standby Sewer Warrant Purchase Agreements).

174. **“Pro Rata”** means proportionately so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim to (b) the amount of that Allowed Claim, is the same as the ratio of (x) the amount of consideration available for Distribution on account of all Allowed Claims in the Class in which the particular Allowed Claim is included to (y) the amount of all Allowed Claims of that Class.

175. **“Professional Fee Claim”** means a Claim to be satisfied pursuant to Section 2.2(c) of the Plan with respect to amounts to be paid to a professional Person that has been duly retained by the County for services or expenses in the Case or incident to the Plan. For the avoidance of doubt, no Professional Fee Claim will be Allowed or paid by the County if the underlying professional’s retention was by or on behalf of any Person other than the County or was otherwise not properly authorized by the County Commission.

176. **“Rate Resolution”** means the resolution adopted by the County Commission on September 23, 2013, to implement the Approved Rate Structure.

177. **“Receiver”** means John S. Young, Jr., LLC, the receiver appointed in the State Court Receivership Action, and any successor thereto or replacement thereof.

178. **“Receivership Actions”** means the Federal Court Receivership Action and the State Court Receivership Action.

179. **“Refinancing Proceeds”** means the net proceeds generated by the issuance of New Sewer Warrants.

180. **“Reinstated Sewer Warrant Interest Payments”** means all non-default rate interest (with respect to the Bank Warrants, including the Bank Warrants held by the Sewer Warrant Insurers, the Sewer Bank Rate) accrued and unpaid on account of any Sewer Warrants through and including the Effective Date, without providing for any interest on interest; *provided, however*, that any non-default rate interest paid by any of the Sewer Warrant Insurers during the period starting on February 1, 2013, and continuing through and including the Effective Date is not included within the “Reinstated Sewer Warrant Interest Payments,” but instead is part of the “Sewer Warrant Insurers Outlay Amount.”

181. **“Reinstated Sewer Warrant Principal Payments”** means all principal amounts that have become due and payable and remain unpaid (by the County, any Sewer Warrant Insurer, or otherwise) on account of any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, without giving effect to any acceleration or any accelerated redemption schedule (including any accelerated redemption schedule applicable to any Bank Warrants). Any principal amounts that have become or will become due and owing on any of the Sewer Warrants during the period starting on February 1, 2013, and continuing through and including the Effective Date, and that have been paid or are paid by any of the Sewer Warrant Insurers are not included within the “Reinstated Sewer Warrant Principal Payments,” but instead are part of the “Sewer Warrant Insurers Outlay Amount.”

182. **“Reinsurance Claim”** means, with respect to any particular bond or warrant insurance policy, any Claim that has been or could be asserted (directly or indirectly) by any Person that has acted or is acting as a “reinsurer” or in any similar capacity with respect to such insurance policy.

183. **“Rejection Bar Date”** means, with respect to any Rejection Damage Claim, the latest of (a) the first Business Day that is at least thirty (30) calendar days after the later of either (i) the date on which a Rejection Order is entered by the Bankruptcy Court or (ii) the effective date of such Rejection Order; (b) either (i) the General Bar Date or (ii) if the claimant is a governmental unit, the Governmental Unit Bar Date; and (c) solely as to those Rejection Damage Claims arising from the rejection of an unexpired lease or an executory contract under the Plan, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

184. **“Rejection Damage Claim”** means a Claim arising under Bankruptcy Code section 365(g) from the rejection of an unexpired lease or an executory contract.

185. **“Rejection Order”** means an order of the Bankruptcy Court entered prior to the Effective Date and authorizing the County’s rejection of an unexpired lease or an executory contract.

186. **“Related Parties”** means, collectively, (a) any affiliates of a Person, and (b) all of the respective accountants, affiliates, agents, assigns, attorneys, authorities, bankers, consultants, directors, employees, executors, financial advisors, heirs, investment bankers, managers, members, officers, officials, parent entities, partners, predecessors, principals, professional persons, representatives, shareholders, subsidiaries, and successors, whether past or present, of such Person and of such Person’s affiliates; *provided, however*, that (x) the County’s Related Parties shall include the County Commission and its members, but shall not include any former County Commissioners or any former employees or officials of the County against which the County has any Preserved Claims; and (y) for the avoidance of doubt, the County’s Related Parties do not include the JPMorgan Parties or any of the JPMorgan Parties’ respective Related Parties.

187. **“Remaining Accumulated Sewer Revenues”** means the amount of Accumulated Sewer Revenues, if any, remaining after providing for the payment of all Reinstated Sewer Warrant Principal Payments, all Reinstated Sewer Warrant Interest Payments, and all Sewer Warrant Insurers Outlay Amount as required by Section 4.6(a) of the Plan.

188. **“Replacement 2001-B GO Warrants”** means replacement warrants to be issued in two series under the Plan, governed by the Amended and Restated GO Warrant Indentures, and named the “General Obligation Warrants, Series 2013-A” and the “General Obligation Warrants, Series 2013-B”, the forms of which warrants are included in the Plan Supplement and which include the material terms specified in Section 1(c) of the GO Plan Support Agreement.

189. **“Reserve Fund LOC”** means one or more irrevocable letters of credit to be issued by JPMorgan Chase Bank, N.A. on the Effective Date pursuant to the New First Supplemental Sewer Warrant Indenture for deposit to the debt service reserve fund(s) established under the New Sewer Warrant Indenture.

190. **“Reserve Fund LOC Agreements”** means, collectively, the Reserve Fund LOC and any reimbursement, collateral, or other agreements related to the Reserve Fund LOC, the forms of which agreements are included in the Plan Supplement.

191. **“Reserve Fund Reimbursement Warrants”** means the reserve fund reimbursement warrants issued by the County under the Plan, secured by the collateral specified in the New First Supplemental Sewer Warrant Indenture and any applicable Reserve Fund LOC Agreements, and governed by the New Sewer Warrant Indenture in connection with any draw on the Reserve Fund LOC, the forms of which reserve fund reimbursement warrants are included in the Plan Supplement.

192. **“Retained Amount”** means the sum of \$3,756,625.75 of Education Tax Revenues (as defined in the School Warrant Indenture) retained by the County during the pendency of the Case in the “Jefferson County Limited Obligation Warrant Revenue Account” established under the School Warrant Indenture.

193. **“Retirement System”** means the General Retirement System for Employees of Jefferson County, Alabama, which was established by the Alabama Legislature pursuant to Act Number 497, Acts of Alabama 1965, page 717, and is the administrator of a single-employer, defined benefit pension plan covering substantially all employees of the County.

194. **“Retirement System Claims”** means any and all Claims of the Retirement System.

195. **“Schedule of Assumed Agreements”** means the schedule of executory contracts and unexpired leases that the County will assume on the Effective Date. The initial Schedule of Assumed Agreements was included as part of the initial Plan Supplement; the current Schedule of Assumed Agreements is included as Exhibit B to the Plan, but remains subject to any modifications that may be made prior to the Effective Date pursuant to Section 3.1(a) of the Plan.

196. **“School Debt Claims”** means, collectively, all School Policy – General Claims, all School Surety Reimbursement Claims, all School Warrant Claims, all School Warrant Trustee Fee Claims, and all Subordinated School Claims.

197. **“School Insurance Policies”** means, together, the School Policy – General and the School Surety.

198. **“School Policy – General”** means that certain *Financial Guaranty Insurance Policy* number 23545BE issued by Ambac on or around February 2, 2005.

199. **“School Policy – General Claims”** means any and all Claims arising from or in connection with the School Policy – General, as well as any and all Claims of the School Warrant Insurer or any Transferee of the School Warrant Insurer arising from or in connection with the School Warrant Indenture, including all Claims arising in connection with any Series 2005-A School Warrants or Series 2005-B School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Policy – General, and including any related Reinsurance Claims.

200. **“School Surety”** means that certain *Surety Bond* number SB1982BE issued by Ambac on or around February 2, 2005.

201. **“School Surety Reimbursement Claims”** means any and all Claims arising from or in connection with (a) the School Surety or (b) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac, including all Claims arising in connection with any School Warrants held by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claims under the School Surety, and including any related Reinsurance Claims.

202. **“School Warrant Claims”** means any and all Series 2004-A School Claims, Series 2005-A School Claims, and Series 2005-B School Claims.

203. **“School Warrant Event of Default”** shall have the meaning ascribed to the term “Event of Default” in, as applicable, the School Warrant Indenture or the Standby School

Warrant Purchase Agreement, and **“School Warrant Events of Default”** shall mean more than one such “Event of Default.”

204. **“School Warrant Indenture”** means that certain *Trust Indenture* dated as of December 1, 2004, between the County and the School Warrant Trustee, as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005.

205. **“School Warrant Insurer”** means Ambac.

206. **“School Warrant Second Supplemental Indenture”** means that certain supplement to the School Warrant Indenture to be executed as of the Effective Date of the Plan, which shall contain the amendments to the School Warrant Indenture effected by the Plan.

207. **“School Warrant Trustee”** means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the School Warrant Indenture.

208. **“School Warrant Trustee Fee Claims”** means any and all Claims of the School Warrant Trustee for compensation, disbursements, expenses, fees, or indemnification pursuant to the School Warrant Indenture.

209. **“School Warrants”** means, collectively, the Series 2004-A School Warrants, the Series 2005-A School Warrants, and the Series 2005-B School Warrants.

210. **“Scotia Bank”** means The Bank of Nova Scotia.

211. **“Secured Claim”** means a Claim, including a Secured Tax Claim and Other Secured Claim, that is secured by a lien on property of the County, which lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the claimholder’s interest in the County’s interest in the collateral or to the extent of the amount subject to setoff against a Claim held by the County, whichever is applicable, and as determined under Bankruptcy Code section 506(a); to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, in the case of a Claim that is not a Special Revenues Claim, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which Secured Claim is a part makes a valid and timely election in accordance with Bankruptcy Code section 1111(b) to have such Claim treated as a Secured Claim to the extent Allowed.

212. **“Secured Tax Claim”** means a governmental unit’s Secured Claim for unpaid taxes.

213. **“Series 1997-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 1997-A Sewer Warrants, other than any Series 1997-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

214. **“Series 1997-A Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 1997-A issued in the original principal amount of \$211,040,000 and insured by FGIC.

215. **“Series 2001-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2001-A Sewer Warrants, other than any Series 2001-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

216. **“Series 2001-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2001-A issued in the original principal amount of \$275,000,000 and insured by FGIC.

217. **“Series 2001-B GO Claims”** means any and all Claims arising from or in connection with the Series 2001-B GO Warrants or the GO Warrant Indenture, including all Standby GO Warrant Claims and all GO Warrant Trustee Fee Claims, but excluding the GO Swap Agreement Claims.

218. **“Series 2001-B GO Warrants”** means those certain General Obligation Warrants, Series 2001-B issued in the original principal amount of \$120,000,000.

219. **“Series 2002-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-A Sewer Warrants together with any and all Claims arising from or in connection with that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A., other than any Series 2002-A Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

220. **“Series 2002-A Sewer Warrants”** means those certain Sewer Revenue Capital Improvement Warrants, Series 2002-A issued in the original principal amount of \$110,000,000 and insured by FGIC.

221. **“Series 2002-C-1 & C-5 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2002-C-1 Sewer Warrants or the Series 2002-C-5 Sewer Warrants, other than any Series 2002-C-1 Sewer Warrants or Series 2002-C-5 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under any of the Sewer Insurance Policies.

222. **“Series 2002-C-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-1-A, C-1-B, C-1-C, and C-1-D, issued in the original principal amount of \$298,800,000, and insured by Syncora.

223. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Claims”** means any Claims arising from or in connection with the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to

the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, other than any Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

224. **“Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-2, C-3, C-4, C-6, and C-7, issued in the original principal amount of \$442,400,000, and previously insured by Syncora.

225. **“Series 2002-C-5 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2002-C designated as subseries C-5, issued in the original principal amount of \$98,300,000, and insured by Syncora.

226. **“Series 2003-A GO Claims”** means any and all Claims arising from or in connection with the Series 2003-A GO Warrants, other than any Series 2003-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

227. **“Series 2003-A GO Warrants”** means those certain General Obligation Capital Improvement and Refunding Warrants, Series 2003-A issued in the original principal amount of \$94,000,000 and insured by National.

228. **“Series 2003-A Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-A Sewer Warrant.

229. **“Series 2003-A Sewer Warrant”** means that certain Sewer Revenue Refunding Warrant, Series 2003-A issued in the original principal amount of \$41,820,000 and presently held by Alabama Water Pollution Control Authority.

230. **“Series 2003-B-1 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-1 Sewer Warrants, other than any Series 2003-B-1 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

231. **“Series 2003-B-1 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-1-A, B-1-B, B-1-C, B-1-D, and B-1-E, issued in the original principal amount of \$735,800,000, and insured by FGIC.

232. **“Series 2003-B-2 Through B-7 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-2 Through B-7 Sewer Warrants, including any Primary Standby Sewer Warrant Claims asserted with respect to the Series 2003-B-2 Through B-7 Sewer Warrants, other than any Series 2003-B-2 Through B-7 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer

Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction or commutation of any claim under or in connection with any of the Sewer Insurance Policies.

233. **“Series 2003-B-2 Through B-7 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-2, B-3, B-4, B-5, B-6, and B-7, issued in the original principal amount of \$300,000,000, and previously insured by Syncora.

234. **“Series 2003-B-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-B-8 Sewer Warrants, other than any Series 2003-B-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies. For the avoidance of doubt, the Series 2003-B-8 Sewer Claims include the FGIC Assured-Insured Warrant Claims.

235. **“Series 2003-B-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-B designated as subseries B-8, issued in the original principal amount of \$119,965,000, and insured by Assured.

236. **“Series 2003-C-1 Through C-8 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-1 Through C-8 Sewer Warrants, other than any Series 2003-C-1 Through C-8 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

237. **“Series 2003-C-1 Through C-8 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8, issued in the original principal amount of \$820,000,000, and insured by FGIC.

238. **“Series 2003-C-9 Through C-10 Sewer Claims”** means any and all Claims arising from or in connection with the Series 2003-C-9 Through C-10 Sewer Warrants, other than any Series 2003-C-9 Through C-10 Sewer Warrants held or acquired by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer's satisfaction of any claim under any of the Sewer Insurance Policies.

239. **“Series 2003-C-9 Through C-10 Sewer Warrants”** means those certain Sewer Revenue Refunding Warrants, Series 2003-C designated as subseries C-9 and C-10, issued in the original principal amount of \$232,025,000, and insured by Assured.

240. **“Series 2004-A GO Claims”** means any and all Claims arising from or in connection with the Series 2004-A GO Warrants, other than any Series 2004-A GO Warrants held or acquired by the GO Warrant Insurer or by any Transferee of the GO Warrant Insurer as a result of the GO Warrant Insurer's satisfaction of any claim under any of the GO Insurance Policies.

241. **“Series 2004-A GO Warrants”** means those certain General Obligation Warrants, Series 2004-A issued in the original principal amount of \$51,020,000 and insured by National.

242. **“Series 2004-A School Claims”** means any and all Claims arising from or in connection with the Series 2004-A School Warrants, other than any Series 2004-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

243. **“Series 2004-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2004-A issued in the original principal amount of \$650,000,000.

244. **“Series 2005-A School Claims”** means any and all Claims arising from or in connection with the Series 2005-A School Warrants, other than any Series 2005-A School Warrants held or acquired by the School Warrant Insurer or by any Transferee of the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

245. **“Series 2005-A School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-A issued in the original principal amount of \$200,000,000 and insured by Ambac.

246. **“Series 2005-B School Claims”** means any and all Claims arising from or in connection with the Series 2005-B School Warrants, including all Standby School Warrant Claims, other than any Series 2005-B School Warrants held or acquired by the School Warrant Insurer as a result of the School Warrant Insurer’s satisfaction of any claim under any of the School Insurance Policies.

247. **“Series 2005-B School Warrants”** means those certain Limited Obligation School Warrants, Series 2005-B issued in the original principal amount of \$200,000,000 and insured by Ambac.

248. **“Sewer Bank Rate”** means the “Bank Rate” as that term is defined in the applicable Standby Sewer Warrant Purchase Agreement.

249. **“Sewer Debt Claims”** means, collectively, all Bank Warrant Claims, all Other Specified Sewer Claims, all Other Standby Sewer Warrant Claims, all Primary Standby Sewer Warrant Claims, all Sewer Swap Agreement Claims, all Sewer Warrant Claims, all Sewer Warrant Insurers Claims, all Sewer Warrant Trustee Fee Claims, and all Subordinated Sewer Claims.

250. **“Sewer DSRF Policies”** means, collectively, (a) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 01010226 issued by FGIC on or around March 22, 2001; (b) that certain *Municipal Bond Debt Service Reserve Fund Policy* number 02010252 issued by FGIC on or around March 6, 2002; (c) that certain *Debt Service Reserve Insurance Policy* number CA01568A issued by Syncora on or around December 30, 2004; and (d) that certain *Municipal Bond Debt Service Reserve Insurance Policy* number 201371-R issued by Assured on or around April 1, 2005.

251. **“Sewer DSRF Reimbursement Agreements”** means, collectively, (a) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 22, 2001, by and

between the County and FGIC; (b) that certain *Debt Service Reserve Fund Policy Agreement* dated as of March 6, 2002, by and between the County and FGIC; (c) that certain *Financial Guaranty Agreement* dated as of December 30, 2004, by and between the County and Syncora; and (d) that certain *Insurance Agreement* dated as of April 1, 2005, by and between the County and Assured.

252. **“Sewer DSRF Reimbursement Claims”** means any and all Claims arising from or in connection with the Sewer DSRF Reimbursement Agreements or the Sewer DSRF Policies, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction of any claim under or in connection with any of the Sewer DSRF Policies, and including any related Reinsurance Claims.

253. **“Sewer Insurance Policies”** means, collectively, the Sewer DSRF Policies and the Sewer Wrap Policies.

254. **“Sewer Liquidity Banks”** means, collectively, BNY, Scotia Bank, and State Street, each in its capacity as a liquidity bank with respect to Sewer Warrants, the Bank Warrant Claims, the Primary Standby Sewer Warrant Claims, the Other Standby Sewer Warrant Claims, and the Bank Warrant Default Interest Claims, and not in any other capacity.

255. **“Sewer Plan Support Agreements”** means, collectively, (i) those certain *Plan Support Agreements* among the County and each of the JPMorgan Parties, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders, dated as of June 6, 2013; (ii) that certain *Plan Support Agreement* among the County and the Sewer Liquidity Banks dated as of June 27, 2013; and (iii) that certain *Plan Support Agreement* between the County and LBSF dated as of July 24, 2013, in each case as the same may have been amended, modified, or supplemented in accordance with their respective terms.

256. **“Sewer Plan Support Parties”** means, collectively, the JPMorgan Parties, LBSF, the Sewer Liquidity Banks, the Sewer Warrant Insurers, and the Supporting Sewer Warrantholders.

257. **“Sewer Released Claims”** means any and all Claims, Causes of Action, and Avoidance Actions (including those arising under the Bankruptcy Code or nonbankruptcy law) based in whole or in part on any act, event, omission, transaction, or other occurrence taking place on or before the Effective Date, in connection with, relating to, or arising from: the County, the Case, the negotiation, formulation and preparation of the Plan and any related documents or the implementation of the transactions contemplated hereby or thereby, the Sewer Warrants, the Sewer Warrant Indenture, the Sewer Insurance Policies, the Sewer DSRF Reimbursement Agreements, the Standby Sewer Warrant Purchase Agreements, the Sewer Swap Agreements, the Syncora Settlement Agreement, the Asserted Full Recourse Sewer Claims, the Bank Warrant Default Interest Claims, the LBSF Periodic Payment Claim, the Sewer System, or any swap, financing, or other transaction relating to the Sewer System, including any and all Claims or 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, acceleration of the Sewer Warrants, the manner in which Sewer Warrant Trustee has applied revenues of the

Sewer System to payment of Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case, issues raised by the Declaratory Judgment Action, 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 swap, financing, or other transaction relating to the Sewer System. The Sewer Released Claims do not include (a) any obligations under or reserved by the Plan (including the payment of Covered Tail Risk, the Sewer Warrant Insurers Outlay Amount, and the Non-Commutation True-Up Amount), the New Sewer Warrant Indenture, the New Sewer Warrants, and the Sewer Warrant Insurers Agreements; (b) any rights of the Sewer Warrant Insurers vis-à-vis each other to the extent not released in or reserved in any of the Sewer Warrant Insurers Agreements; (c) any Sewer Wrap Payment Rights of FGIC against Assured on account of any unpaid FGIC Assured-Insured Warrant Claims; (d) any rights of the Supporting Sewer Warrantholders vis-à-vis each other to the extent contained in agreements among themselves; (e) any Claim held by a Sewer Released Party or any of its Related Parties in a fiduciary, agency, or other representative capacity for third-party customers, clients, or accountholders, but only to the extent any such customers, clients, or accountholders are not also Sewer Released Parties (for the avoidance of doubt, this clause (e) shall not exclude from the scope of the Sewer Released Claims any Claims arising from (i) any “Covered Sewer Warrants” as defined in the Supporting Sewer Warrantholder Plan Support Agreement, (ii) the Sewer Warrants set forth on Schedule 1 to the Sewer Plan Support Agreement among the County and the JPMorgan Parties, (iii) the Sewer Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Warrant Insurers, (iv) the Bank Warrants referenced in Section 3(a) of the Sewer Plan Support Agreement among the County and the Sewer Liquidity Banks; or (v) the “LBSF Claims” referenced in Section 3 of the Sewer Plan Support Agreement between the County and LBSF); and (f) any Sewer Wrap Payment Rights of a holder of Sewer Warrants that did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

258. **“Sewer Released Parties”** means each of the County, the FGIC Rehabilitator, the Receiver, the Sewer Plan Support Parties, and the Sewer Warrant Trustee.

259. **“Sewer Swap Agreement Claims”** means any and all Claims arising from or in connection with the Sewer Swap Agreements, including with respect to all “Transactions” (as defined in the Sewer Swap Agreements) thereunder, but excluding the LBSF Periodic Payment Claim.

260. **“Sewer Swap Agreements”** means, collectively, (a) the LBSF Swap Agreement; (b) that certain *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A., as subsequently amended via an amendment dated as of July 14, 2003, together with all schedules, annexes, and confirmations related thereto; and (c) that certain *ISDA Master Agreement* dated as of May 1, 2004, between the County and Bear Stearns Capital Markets Inc., together with all schedules, annexes, and confirmations related thereto.

261. **“Sewer System”** means the entire sanitary sewer system owned by the County.

262. **“Sewer Warrant Claims”** means any and all Series 1997-A Sewer Claims, Series 2001-A Sewer Claims, Series 2002-A Sewer Claims, Series 2002-C-1 & C-5 Sewer Claims, Series 2003-A Sewer Claims, Series 2003-B-1 Sewer Claims, Series 2003-B-8 Sewer Claims, Series 2003-C-1 Through C-8 Sewer Claims, and Series 2003-C-9 Through C-10 Sewer Claims. For the avoidance of doubt, (i) the FGIC Assured-Insured Warrant Claims are Sewer Warrant Claims; (ii) any Claims on account of Sewer Warrants held by any of the Sewer Warrant Insurers (other than the FGIC Assured-Insured Warrant Claims) are Sewer Warrant Insurers Claims; and (iii) the Bank Warrant Claims, the Other Standby Sewer Warrant Claims, and the Primary Standby Sewer Warrant Claims are not Sewer Warrant Claims.

263. **“Sewer Warrant Indenture”** means that certain *Trust Indenture* dated as of February 1, 1997, between the County and the Sewer Warrant Trustee, as subsequently supplemented by eleven supplemental indentures dated as of March 1, 1997, March 1, 1999, March 1, 2001, February 1, 2002, September 1, 2002, October 1, 2002, November 1, 2002, January 1, 2003, April 1, 2003, August 1, 2003, and May 1, 2004.

264. **“Sewer Warrant Indenture Funds”** means any funds or accounts that are established by or have any connection to the Sewer Warrant Indenture regardless of the pendency of any dispute concerning whether the Sewer Warrant Trustee has property rights in, or a lien on, such fund or account (including in Adversary Proceeding No. 12-00067).

265. **“Sewer Warrant Insurers”** means, collectively, Assured, FGIC, and Syncora.

266. **“Sewer Warrant Insurers Agreements”** means those certain written agreements of the Sewer Warrant Insurers (to which the County is not a party), each dated as of June 6, 2013, and concerning, among other things, the agreed allocation of certain of the consideration payable under Section 2.3(c) of the Plan and certain commutations and settlements between and among the Sewer Warrant Insurers in respect of the Sewer Warrant Insurers Claims.

267. **“Sewer Warrant Insurers Claims”** means any and all Claims held by the Sewer Warrant Insurers, whatever the origin or nature, including all Sewer Wrap Policy Claims, all Sewer DSRF Reimbursement Claims, and all other Claims held by any Sewer Warrant Insurer arising from or in connection with the Sewer Warrants, the Sewer Warrant Indenture, or the Standby Sewer Warrant Purchase Agreements, but excluding the FGIC Assured-Insured Warrant Claims and the Asserted Full Recourse Sewer Claims. For the avoidance of doubt, Sewer Warrant Insurers Claims include any and all Claims that could be asserted in respect of (a) the Series 2002-A Sewer Warrants in the principal amount of \$101,465,000 owned by FGIC, or (b) the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants and Series 2003-B-2 Through B-7 Sewer Warrants in the aggregate principal amount of \$214,191,875.11 owned by Syncora.

268. **“Sewer Warrant Insurers Outlay Amount”** means a sum equal to the amount of any and all payments made by any of the Sewer Warrant Insurers to or for the benefit of holders of Sewer Warrants under any of the Sewer Insurance Policies on or after February 1, 2013, and through the Effective Date, plus interest on the principal portion of such payments, calculated at the underlying Sewer Warrant rate (e.g., 5.25% on the Series 2003-B-8 Sewer Warrants and two (2) times the one month LIBOR rate on the Series 2003-C-9 Through C-10

Sewer Warrants). For the avoidance of doubt, no additional interest will be paid on the portion of such payments related to interest accrued on any Sewer Warrant.

269. **“Sewer Warrant Trustee”** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Sewer Warrant Indenture and as successor to AmSouth Bank of Alabama.

270. **“Sewer Warrant Trustee Fee Claims”** means any and all Claims of the Sewer Warrant Trustee for compensation, disbursements, expenses, fees (including fees of its counsel and experts), or indemnification pursuant to the Sewer Warrant Indenture.

271. **“Sewer Warrant Trustee Residual Fee Estimate”** means (a) the anticipated aggregate amount of reasonable expenses and fees (including reasonable fees of its counsel) that will be incurred by the Sewer Warrant Trustee in connection with the completion of the actions that the Sewer Warrant Trustee is required to take pursuant to Sections 4.6(a), 4.6(b), 4.6(c), 4.7(b), 4.8(c), 4.11 (only with respect to last sentence thereof), 4.15(e)(iv)(A), and 4.15(e)(v) of the Plan (and only such actions), which anticipated amount shall be provided in writing to the County’s counsel on or before the seventh (7th) calendar day after the Confirmation Date; plus (b) an amount not to exceed \$100,000 in respect of any indemnification rights, which amount shall be returned to the County if not used by the tenth (10th) annual anniversary of the Effective Date. The Sewer Warrant Trustee Residual Fee Estimate shall not include (i) any anticipated amounts in respect of the Sewer Wrap Payment Rights Administration Expenses; or (ii) except as set forth above, any amounts or reserves in respect of indemnification rights.

272. **“Sewer Warrant Trustee’s Asserted Recourse Claim”** means the proof of Claim filed by the Sewer Warrant Trustee “in an amount not less than \$85,562,828.31.”

273. **“Sewer Warrants”** means, collectively, the Series 1997-A Sewer Warrants, the Series 2001-A Sewer Warrants, the Series 2002-A Sewer Warrants, the Series 2002-C-1 Sewer Warrants, the Series 2002-C-2 Through C-4 & C-6 Through C-7 Sewer Warrants, the Series 2002-C-5 Sewer Warrants, the Series 2003-A Sewer Warrant, the Series 2003-B-1 Sewer Warrants, the Series 2003-B-2 Through B-7 Sewer Warrants, the Series 2003-B-8 Sewer Warrants, the Series 2003-C-1 Through C-8 Sewer Warrants, and the Series 2003-C-9 Through C-10 Sewer Warrants. For the avoidance of doubt, all Bank Warrants are also Sewer Warrants.

274. **“Sewer Wrap Payment Rights”** means any rights of a holder of Sewer Warrants against the applicable Sewer Warrant Insurer insuring such holder’s Sewer Warrants to receive any payments under, in connection with, or on account of such Sewer Warrant Insurer’s Sewer Wrap Policies, but only with respect to any Sewer Warrants as to which such holder did not make or was deemed not to make the Commutation Election against the applicable Sewer Warrant Insurer.

275. **“Sewer Wrap Payment Rights Administration Expenses”** means the reasonable expenses and fees of the Sewer Warrant Trustee, if any, associated with the pursuit and administration of any Sewer Wrap Payment Rights after the Effective Date, including making demands on the applicable Sewer Warrant Insurer, calculating any amounts due under the applicable Sewer Wrap Policies, and receiving or distributing any funds payable on account

of any Sewer Wrap Payment Rights. The Sewer Warrant Trustee shall provide an estimate in writing of the Sewer Wrap Payment Rights Administration Expenses to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

276. **“Sewer Wrap Policies”** means, collectively, (a) that certain *Municipal Bond New Issue Insurance Policy* number 97010082 issued by FGIC on or around February 27, 1997, as it may be amended by FGIC’s plan of rehabilitation; (b) that certain *Municipal Bond New Issue Insurance Policy* number 01010225 issued by FGIC on or around March 22, 2001, as it may be amended by FGIC’s plan of rehabilitation; (c) that certain *Municipal Bond New Issue Insurance Policy* number 02010251 issued by FGIC on or around March 6, 2002, as it may be amended by FGIC’s plan of rehabilitation; (d) that certain *Municipal Bond Insurance Policy* number CA00370A issued by Syncora on or around October 25, 2002; (e) that certain *Municipal Bond New Issue Insurance Policy* number 03010448 issued by FGIC on or around May 1, 2003, as it may be amended by FGIC’s plan of rehabilitation; (f) that certain *Municipal Bond Insurance Policy* number 200777-N issued by Assured on or around May 1, 2003; (g) that certain *Municipal Bond Insurance Policy* number CA00522A issued by Syncora on or around May 1, 2003; (h) that certain *Municipal Bond New Issue Insurance Policy* number 03010824 issued by FGIC on or around August 7, 2003, as it may be amended by FGIC’s plan of rehabilitation; and (i) that certain *Municipal Bond Insurance Policy* number 201371-N issued by Assured on or around August 7, 2003.

277. **“Sewer Wrap Policy Claims”** means any and all Claims arising from or in connection with the Sewer Wrap Policies, as well as any and all Claims of any of the Sewer Warrant Insurers or any Transferee of any of the Sewer Warrant Insurers arising from or in connection with the Sewer Warrant Indenture, including all Claims arising in connection with any Sewer Warrants held by any of the Sewer Warrant Insurers or by any Transferee of any of the Sewer Warrant Insurers as a result of a Sewer Warrant Insurer’s satisfaction or commutation of any claims under or in connection with any of the Sewer Wrap Policies, and including any related Reinsurance Claims. For the avoidance of doubt, the Sewer Wrap Policy Claims do not include the Sewer DSRF Reimbursement Claims.

278. **“Special Revenues Claim”** means a Claim payable solely from “special revenues” (as defined in Bankruptcy Code section 902(2)) under applicable nonbankruptcy law, including all School Debt Claims and all Sewer Debt Claims.

279. **“Standby GO Warrant Claims”** means any and all Claims arising from or in connection with the Standby GO Warrant Purchase Agreement.

280. **“Standby GO Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of July 1, 2001, among the County, the GO Warrant Trustee, and the GO Banks, as subsequently amended by that certain *First Amendment to Standby Warrant Purchase Agreement* dated as of September 1, 2004.

281. **“Standby School Warrant Claims”** means any and all Claims of Depfa Bank PLC arising from or in connection with the Standby School Warrant Purchase Agreement.

282. **“Standby School Warrant Purchase Agreement”** means that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005, among the County, the School Warrant Trustee, and Depfa Bank PLC.

283. **“Standby Sewer Warrant Purchase Agreements”** means, collectively, (a) that certain *Standby Warrant Purchase Agreement* dated as of February 1, 2002, among the County, the Sewer Warrant Trustee, and JPMorgan Chase Bank, N.A.; (b) those certain *Standby Warrant Purchase Agreements* dated as of October 1, 2002, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, and Regions Bank; and (c) those certain *Standby Warrant Purchase Agreements* dated as of May 1, 2003, among the County, the Sewer Warrant Trustee, JPMorgan Chase Bank, N.A. (as liquidity agent), and each of Société Générale, New York Branch, BNY, State Street, and Lloyds TSB Bank plc.

284. **“State Court Receivership Action”** means *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Civil Action No. CV-2009-02318, pending in the Circuit Court of Jefferson County, Alabama.

285. **“State Street”** means State Street Bank and Trust Company.

286. **“Subordinated Claim”** means a Claim that is determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c), including all Subordinated General Claims, Subordinated School Claims, and Subordinated Sewer Claims.

287. **“Subordinated General Claims”** means any and all Claims that represent general obligations of the County and are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 5-A, Class 5-B, Class 5-C, Class 5-D, or Class 5-E that are Allowed under the Plan are not Subordinated General Claims or subject to subordination.

288. **“Subordinated School Claims”** means any and all School Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) and 510(c). For the avoidance of doubt, all Claims in Class 2-A, Class 2-B, Class 2-C, Class 2-D, or Class 2-E that are Allowed under the Plan are not Subordinated School Claims or subject to subordination.

289. **“Subordinated Sewer Claims”** means any and all Sewer Debt Claims that are determined pursuant to contract, the Plan, or the Confirmation Order to be subordinated in accordance with Bankruptcy Code section 510(b) or 510(c). For the avoidance of doubt, all Claims in Class 1-A, Class 1-B, Class 1-C, or Class 1-D that are Allowed under the Plan are not Subordinated Sewer Claims or subject to subordination.

290. **“Supporting Sewer Warrantholder Directed Distribution”** has the meaning set forth in Section 4.9(b) of the Plan.

291. **“Supporting Sewer Warrantholder Plan Support Agreement”** means that certain *Plan Support Agreement* dated as of June 6, 2013, by and among County, JPMorgan Chase Bank, N.A., and the Supporting Sewer Warrantholders from time to time party thereto.

292. **“Supporting Sewer Warrantholders”** means each of those Persons that owns, or manages or advises accounts or funds that own, Sewer Warrants and that is or becomes a signatory to the Supporting Sewer Warrantholder Plan Support Agreement.

293. **“Syncora”** means Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc.

294. **“Syncora Settlement Agreement”** means that certain *Settlement Agreement* by and among JPMorgan Chase Bank, N.A., Bank of America, N.A., Scotia Bank, Société Générale, New York Branch, Regions Bank, BNY, State Street, Lloyds TSB Bank, plc, as liquidity banks under the Standby Sewer Warrant Purchase Agreements, and Syncora, dated as of April 7, 2010, collectively with any exhibits thereto and any ancillary documents associated therewith.

295. **“Tail Risk”** means the claim exposure of each of the Sewer Warrant Insurers under the applicable Sewer Wrap Policies that remains after the Effective Date (after giving effect to the County’s payment of the Non-Commutation True-Up Amount to the Sewer Warrant Insurers, but without taking into account any reduction in FGIC’s payment obligations pursuant to any plan of rehabilitation for FGIC) based on (a) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders that elected not to make or were deemed not to make the Commutation Election, *less* the Distributions made to such holders pursuant to Option 2 of Section 2.3(a) of the Plan; and (b) the aggregate Adjusted Sewer Warrant Principal Amount of the Sewer Warrants held by holders of Series 2003-C-9 Through C-10 Sewer Warrants insured by Assured that are deemed to make the Commutation Election but nonetheless object to such deemed commutation and thereafter timely file a notice of appeal of the Confirmation Order overruling such objection, *less* the Distributions made to such holders pursuant to Option 1 of Section 2.3(a) of the Plan.

296. **“Tax Abatement Agreement Claims”** means any and all Claims arising from or in connection with the Tax Abatement Agreements.

297. **“Tax Abatement Agreements”** means any agreement pursuant to which any sales tax, use tax, recording tax, non-educational *ad valorem* tax, or other tax has been or currently is being abated under the Tax Incentive Reform Act of 1992, codified at Alabama Code section 40-9B-1, *et seq.*

298. **“Transferee”** means any Person that, after the Petition Date, obtained or obtains any beneficial interest in all or any part of a particular Claim, whether by way of assignment, bequest, foreclosure, hypothecation, lien, mortgage, pledge, sale, or other method of “transfer” as that word is defined in Bankruptcy Code section 101(54).

299. **“True-Up Amount”** means a sum equal to the aggregate amount of any interest paid on account of any Series 2005-B School Claims during the period between August 31,

2013, and the Effective Date at a rate higher than the New Bank Rate, as agreed by and acceptable to Depfa Bank PLC and the County.

300. **“True-Up Amount Certificate”** means a certificate delivered to the School Warrant Trustee pursuant to Section 2.3(i) of the Plan confirming the amount of the True-Up Amount and directing the School Warrant Trustee to implement the provisions of the Plan reducing the principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants.

301. **“Unclaimed Distribution”** means any Distribution other than an Undeliverable Distribution with respect to which the County tenders a distribution check and that distribution check is not cashed within forty-five (45) calendar days after its issuance date.

302. **“Undeliverable Distribution”** means any Distribution with respect to which the County tenders a distribution check and that distribution check is returned as undeliverable.

303. **“Uninsured Portion”** means the portion of an Allowed General Liability Claim that is not the Insured Portion.

304. **“Unliquidated Claim”** means a Claim that is listed on the List of Creditors as unliquidated.

305. **“Unused Covered Tail Risk Amount”** means an amount equal to the positive difference between \$25 million and the aggregate Covered Tail Risk that the County is required to pay on the Effective Date pursuant to the Plan; *provided, however*, that the Unused Covered Tail Risk Amount shall in no event exceed the lesser of (a) \$750,000 and (b) the estimated amount of the Sewer Wrap Payment Rights Administration Expenses to be provided by the Sewer Warrant Trustee to counsel for the County and each of the Sewer Warrant Insurers on or before the seventh (7th) calendar day after the Confirmation Date.

306. **“Wilson Action”** means, together, that certain adversary proceeding styled as *Charles E. Wilson, et al. v. JPMorgan Chase & Co., et al. (In re Jefferson County, Alabama)*, Adv. Proc. No. 11-00433 (Bankr. N.D. Ala.), and the counts remaining in that certain action styled as *Wilson v. Bank of America, et al.* Circuit Court of Jefferson County, Alabama, Birmingham Division, Case No. CV-2008-901907.00.

307. **“Workers Compensation Claims”** means any and all Claims pursuant to Alabama workers compensation law of Persons who suffered an eligible injury while employed by the County or by the State of Alabama and for which Claims the County is liable for payment by agreement or applicable law.

Section 1.2. Interpretation; Rules of Construction; Computation of Time.

(a) **Defined Terms.** Any term used in the Plan or the Plan’s Exhibits that is not a Defined Term, but that is used in the Bankruptcy Code or Bankruptcy Rules has the meaning assigned to such term in the Bankruptcy Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

(b) Rules of Interpretation and Construction.

1. The definition given to any term or provision in the Plan or the Plan's Exhibits supersedes and controls any different meaning that may be given to that term or provision in the Disclosure Statement, on any Ballot, or in any Plan Support Agreement.
2. Whenever appropriate from the context, each term, whether stated in the singular or the plural, includes both the singular and the plural.
3. All references in the Plan and the Plan's Exhibits to any one of the feminine, masculine, or neuter genders shall be deemed to include references to all other such genders.
4. Whenever the Plan or the Plan's Exhibits use the word "including," such reference shall be deemed to mean "including, without limitation,".
5. Any reference to a document or instrument being in a particular form or on particular terms means that the document or instrument will be substantially in that form or on those terms.
6. Any reference to an existing document or instrument means the document or instrument as it has been, or may be, amended or supplemented prior to the Effective Date not in violation of any agreements applicable to such amendment or supplement (including the Plan Support Agreements as they may be applicable to any amendment or supplement of the Plan).
7. Any reference to a specific Person includes any successors or assigns of such Person, and all rights, benefits, interests, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, trustee, liquidator, rehabilitator, conservator, successor, or assign of such Person.
8. Unless otherwise indicated, the phrase "under the Plan" and similar words or phrases refer to the Plan in its entirety rather than to only a portion of the Plan.
9. Unless otherwise specified, all references to "Articles," "Exhibits," "Schedules," or "Sections" are references to articles, exhibits, schedules, and sections of or to the Plan.
10. The words "herein," "hereof," "hereto," "hereunder," "herewith," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan.
11. Captions and headings to articles and sections are inserted for convenience of reference only, do not constitute a portion of the Plan, and are not intended to affect in any manner the interpretation of the Plan.
12. Whenever the Plan or the Plan's Exhibits provides that a document or thing must be "acceptable" or "satisfactory" to any Person, such requirement shall in each case be subject to a reasonableness qualifier.

13. All other rules of construction set forth in Bankruptcy Code section 102 apply to the Plan and the Plan's Exhibits to the extent not inconsistent with this Section 1.2.

(c) **Time Periods.** In computing any period of time prescribed or allowed by the Plan or the Plan's Exhibits, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
DESIGNATION OF CLASSES AND TREATMENT OF CLAIMS

Section 2.1. Summary and Classification of Claims.

This Section classifies Claims – except for Administrative Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
None	Administrative Claims	Unimpaired	Not Entitled to Vote
Class 1-A	Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-B	Bank Warrant Claims and Primary Standby Sewer Warrant Claims	Impaired	Entitled to Vote
Class 1-C	Sewer Warrant Insurers Claims	Impaired	Entitled to Vote
Class 1-D	Other Specified Sewer Claims	Impaired	Entitled to Vote
Class 1-E	Sewer Swap Agreement Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 1-F	Other Standby Sewer Warrant Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 2-A	Series 2004-A School Claims	Impaired	Entitled to Vote
Class 2-B	Series 2005-A School Claims	Impaired	Entitled to Vote
Class 2-C	Series 2005-B School Claims and Standby School Warrant Claims	Impaired	Entitled to Vote
Class 2-D	School Policy – General Claims	Impaired	Entitled to Vote
Class 2-E	School Surety Reimbursement Claims	Impaired	Entitled to Vote

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
Class 3-A	Board of Education Lease Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3-B	Board of Education Lease Policy Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 4	Other Secured Claims, including Secured Tax Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-A	Series 2001-B GO Claims and Standby GO Warrant Claims	Impaired	Entitled to Vote
Class 5-B	Series 2003-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-C	Series 2004-A GO Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 5-D	GO Policy Claims	Impaired	Entitled to Vote
Class 5-E	GO Swap Agreement Claims	Impaired	Entitled to Vote
Class 6	General Unsecured Claims	Impaired	Entitled to Vote
Class 7	Bessemer Lease Claims	Impaired	Entitled to Vote
Class 8	Other Unimpaired Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 9	Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.

The treatment in the Plan is in full, final, and complete satisfaction of the legal, contractual, and equitable rights (including any liens, encumbrances, charges, and interests) that each Person holding a Claim may have or assert against the County or its property. This treatment supersedes and replaces any agreements or rights that any holder of a Claim may otherwise have or assert against the County or its property. Other than the Reinstated Sewer Warrant Interest Payments, all Distributions in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter to the remaining portion of such Allowed Claim, if any; *provided, however*, that the County's treatment of any Distributions for its tax purposes will not be binding on any Creditor as to the treatment of such Distributions for any regulatory, tax, or other purposes.

Section 2.2. Allowance and Treatment of Administrative Claims.

(a) Allowance of Administrative Claims.

(i) Administrative Claims Generally.

Unless otherwise expressly provided in the Plan or agreed by the County, Administrative Claims will be Allowed only if:

- (A) On or before the Administrative Claims Bar Date, the Person holding such Administrative Claim both Files with the Bankruptcy Court and serves on the County a motion requesting allowance of the Administrative Claim; and
- (B) The Bankruptcy Court enters a Final Order finding that such asserted Administrative Claim is an Allowed Claim.

The County or any other party in interest may File an objection to such motion within sixty (60) calendar days after the expiration of the Administrative Claims Bar Date, unless such time period for filing such objection is extended by the Bankruptcy Court. **THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE CLAIM ON OR BEFORE THE ADMINISTRATIVE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT. IF FOR ANY REASON ANY SUCH ADMINISTRATIVE CLAIM IS INCAPABLE OF BEING FOREVER BARRED AND DISALLOWED, THEN THE HOLDER OF SUCH CLAIM SHALL IN NO EVENT HAVE RECOURSE TO ANY PROPERTY DISTRIBUTED PURSUANT TO THE PLAN.**

(ii) Cure Payments.

Cure Payments shall be Allowed in accordance with the procedures set forth in Section 3.1(b).

(iii) 503(b)(9) Claims.

Unless otherwise expressly provided in the Plan or agreed by the County, a 503(b)(9) Claim will be Allowed only if:

- (A) The 503(b)(9) Claim is Filed by the 503(b)(9) Bar Date, or is deemed timely Filed; and
- (B) If an objection to such 503(b)(9) Claim is Filed by a party in interest on or before the Claim Objection Deadline, the Bankruptcy Court enters a Final Order finding that such asserted 503(b)(9) Claim is an Allowed 503(b)(9) Claim.

PURSUANT TO THE BAR DATE ORDER, ALL PERSONS HOLDING 503(b)(9) CLAIMS THAT DID NOT TIMELY FILE SUCH CLAIMS BY THE 503(b)(9) BAR

DATE ARE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING THOSE CLAIMS AGAINST THE COUNTY OR ITS PROPERTY.

(b) Treatment of Administrative Claims.

(i) Administrative Claims Generally.

Unless the Person holding an Allowed Administrative Claim agrees to different treatment, or already has been paid the full amount of such Allowed Administrative Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such Administrative Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim is an Allowed Administrative Claim becomes a Final Order.

(ii) Cure Payments.

Cure Payments will be made to the non-debtor parties to the subject executory contracts or unexpired leases in accordance with Section 3.1.

(iii) 503(b)(9) Claims.

Unless the Person holding an Allowed 503(b)(9) Claim agrees to different treatment, or already has been paid the full amount of such Allowed 503(b)(9) Claim, the County shall pay to that Person Cash in an amount equal to the Allowed amount of such 503(b)(9) Claim, without interest, on or before the later of (A) ten (10) Business Days after the Effective Date, and (B) ten (10) Business Days after the date on which any order determining such Claim to be an Allowed 503(b)(9) Claim becomes a Final Order.

(c) Professional Fees.

Pursuant to Bankruptcy Code section 943(b)(3), all amounts to be paid for services or expenses in the Case or incident to the Plan must be fully disclosed to the Bankruptcy Court and must be reasonable. There shall be paid to each holder of a Professional Fee Claim in full, final, and complete settlement, satisfaction, release, and discharge of such Claim, Cash in an amount equal to the portion of such Professional Fee Claim that the Bankruptcy Court determines is reasonable on or as soon as is reasonably practicable following the date on which the Bankruptcy Court enters an order determining reasonableness. The County, in the ordinary course of its business, and without the requirement for Bankruptcy Court approval, may pay for professional services rendered and expenses incurred following the Effective Date.

(d) Administrative Tax Claims.

Notwithstanding anything to the contrary in the Plan or in the Confirmation Order, a governmental unit shall not be required to file, make, or submit a request for payment (or any document, including a bill) of an expense described in Bankruptcy Code section 503(b)(1)(B) or (C) as a condition of its being an Allowed Administrative Claim, and the County shall pay in full all such Allowed Administrative Claims, including any interest related thereto, when due.

(e) **No Other Priority Claims.**

The only category of priority Claim incorporated into a chapter 9 case through Bankruptcy Code section 901(a) are Administrative Claims allowable under Bankruptcy Code section 507(a)(2). The treatment of Allowed Administrative Claims under the Plan is described in Section 2.2(b) above. No other kinds of priority claims set forth in Bankruptcy Code section 507 are recognized or entitled to priority in chapter 9 or in this Case, but rather are treated in chapter 9 and in this Case and classified in the Plan as General Unsecured Claims.

Section 2.3. Classification and Treatment of Classified Claims.

(a) **Class 1-A (Sewer Warrant Claims).**

Class 1-A consists of all Sewer Warrant Claims. Class 1-A is Impaired under the Plan. Class 1-A Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants giving rise to Class 1-A Claims and (ii) the amount of any Reinstated Sewer Warrant Principal Payments and Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants giving rise to Class 1-A Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-A Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-A Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-A Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-A Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes or is deemed to make the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete

settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies); or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Sewer Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-A Claims; and (ii) the retention of Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring such holder's Sewer Warrants, which Sewer Wrap Payment Rights shall not be waived or impaired.

- B. Regardless of the option selected, each holder of an Allowed Class 1-A Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Principal Payments and any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the non-default rate on any Sewer Warrants after the Petition Date and (ii) any interest on interest on any Sewer Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-A Claims that make the Commutation Election as provided in this Section 2.3(a) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A Claims and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election with respect to all Sewer Warrants held by each of the JPMorgan Parties and each Supporting Sewer Warrantholder, subject to the exceptions contained in Section 3(e) of the Supporting Sewer Warrantholder Plan Support Agreement.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-A Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(a) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(b) **Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims).**

Class 1-B consists of all Bank Warrant Claims and (to the extent not otherwise included) all Primary Standby Sewer Warrant Claims. Class 1-B is Impaired under the Plan. Class 1-B Claims shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Bank Warrants giving rise to Class 1-B Claims; and (ii) the amount of any Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Bank Warrants giving rise to Class 1-B Claims, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive a Distribution in one of the two amounts specified in Option 1 and Option 2 below. Such a Distribution is higher than such holder's Pro Rata share of the Distributions made to holders of all Allowed Class 1-B Claims would otherwise be as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-B Claims as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-B Claims on account of such Claims.

The Distributions to be made to holders of Allowed Class 1-B Claims from or on behalf of the County consist of the following two components:

- A. Except as set forth in Section 4.9(a) with respect to the Allowed Class 1-B Claims held by the JPMorgan Parties, each holder of an Allowed Class 1-B Claim shall receive the right to choose between the following two Distribution options:

Option 1: if such holder makes the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 80% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims (including any Bank Warrant Default Interest Claims) and of all of such holder's other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties; or

Option 2: if such holder does not make or is deemed not to make the Commutation Election, a Distribution (x) on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of the Adjusted Sewer Warrant Principal Amount of such holder's Bank Warrants and (y) on the first Business Day that is at least thirty (30) calendar days after the entry of a Final Order allowing such Claims, of Cash from a reserve account to be funded on the Effective Date from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to 65% of any Allowed Bank Warrant Default Interest Claims held by such holder in full, final, and complete settlement, satisfaction, release, and exchange of all of such holder's Class 1-B Claims.

- B. Regardless of the option selected, each holder of an Allowed Class 1-B Claim shall also receive on the Effective Date a Distribution of Cash on account of (x) any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a); and (y) any Excess Refinancing Proceeds to which such holder is entitled pursuant to and in accordance with Section 4.19. No Distributions will be made under the Plan to any Person on account of (i) any interest in excess of the Sewer Bank Rate on any Bank Warrants after the Petition Date and (ii) any interest on interest on any Bank Warrants after the Petition Date.

As described in Section 4.9(a), the sources of the incremental recovery to holders of Allowed Class 1-B Claims that make the Commutation Election as provided in this Section 2.3(b) result from (i) the agreement of the JPMorgan Parties to reallocate to such holders a substantial portion of the Pro Rata share of the Distribution that otherwise would have been distributed to the JPMorgan Parties on account of the Allowed Class 1-A and Allowed Class 1-B Claims held by the JPMorgan Parties as part of the global settlement of Sewer Released Claims against the JPMorgan Parties implemented pursuant to the Plan; and (ii) the consideration provided as a result of the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims.

Each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder has agreed in the applicable Sewer Plan Support Agreement to make, and shall make, the Commutation Election and to waive any Bank Warrant Default Interest Claims held by such JPMorgan Party, Sewer Liquidity Bank, and Supporting Sewer Warrantholder, as applicable, with respect to all Bank Warrants held by each of the JPMorgan Parties, each Sewer Liquidity Bank, and each Supporting Sewer Warrantholder.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-B Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

No additional or other Distributions will be made under the Plan to any Person on account of the Primary Standby Sewer Warrant Claims (to the extent not otherwise included within the Bank Warrant Claims).

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(b) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(c) **Class 1-C (Sewer Warrant Insurers Claims).**

Class 1-C consists of all Sewer Warrant Insurers Claims. Class 1-C is Impaired under the Plan. Class 1-C Claims shall be Allowed on the Effective Date in an aggregate amount, without duplication, equal to the sum of (i) the amount of the Sewer Warrant Insurers Claims, (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to any Sewer Warrants held by the Sewer Warrant Insurers, and (iii) the Sewer Warrant Insurers Outlay Amount, which Allowed Claims shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

The holders of Allowed Class 1-C Claims shall receive from or on behalf of the County on the Effective Date, in full, final, and complete settlement, satisfaction, release, and exchange of each such holder's Class 1-C Claims:

(i) subject to the reductions set forth in Section 2.3(c)(vi) below, an aggregate Distribution of \$165,000,000 in Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be distributed and allocated among the Sewer Warrant Insurers as set forth in the Sewer Warrant Insurers Agreements;

(ii) a separate aggregate Distribution of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof, which aggregate amount shall be equal to the Non-Commutation True-Up Amount attributable to

all Sewer Warrants insured by each Sewer Warrant Insurer under a Sewer Wrap Policy and held by Persons that elected not to make or were deemed not to make the Commutation Election;

(iii) a payment in full from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to each Sewer Warrant Insurer's Covered Tail Risk;

(iv) subject to the reductions set forth in Section 2.3(c)(vi) below, Distributions of Cash on account of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, in each case if applicable and if any, in accordance with Section 4.6(a);

(v) any Excess Refinancing Proceeds to which the Sewer Warrant Insurers are entitled pursuant to and in accordance with Section 4.19; and

(vi) subject to the issuance of the New Sewer Wrap Policy by Assured, the amounts otherwise distributable (A) to Syncora pursuant to Section 2.3(c)(iv) above shall be reduced by the sum of \$12,250,000; and (B) to FGIC pursuant to (1) Section 2.3(c)(i) above shall be reduced by the sum of \$8,500,000, and (2) Section 2.3(c)(iv) above on account of the Series 2002-A Sewer Warrants held by FGIC shall be reduced by the sum of \$5,500,000.

As part of the global settlement implemented under the Plan, the Sewer Warrant Insurers will be deemed to waive and release all Bank Warrant Default Interest Claims.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-C Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(c) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(d) Class 1-D (Other Specified Sewer Claims).

Class 1-D consists of all JPMorgan Sewer Revenue Indemnification Claims and the LBSF Periodic Payment Claim. Class 1-D is Impaired under the Plan.

All Claims in Class 1-D will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 1-D Claims, and as part of the global settlement between the County and the Sewer Released Parties implemented pursuant to the Plan, on the Effective Date the County shall pay (i) \$10.00 to JPMS and (ii) \$1,250,000.00 to LBSF, in each case from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof. By its acceptance of or non-

objection to confirmation of the Plan, JPMS shall have consented and agreed, pursuant to Bankruptcy Code section 1123(a)(4), to receive less favorable treatment than LBSF on account of its Allowed Class 1-D Claim.

As part of the global settlement implemented under the Plan, on the Effective Date the holders of Class 1-D Claims will be deemed to have assigned any and all rights of recovery on account of the Sewer Warrant Trustee's Asserted Recourse Claim to the County, without any warranty, representation, or recourse whatsoever.

With the exception of the Sewer Warrant Trustee Fee Claims, which shall be satisfied, discharged, and released in accordance with Section 4.6(b), no additional or other Distributions will be made under the Plan to any Person on account of any Claims with respect to the professional fees or expenses of any holder of Sewer Debt Claims. Because the Sewer Warrant Trustee Fee Claims are paid separately under Section 4.6(b), the Distributions under this Section 2.3(d) shall not be reduced by any deduction on account of any Sewer Warrant Trustee Fee Claims.

(e) **Class 1-E (Sewer Swap Agreement Claims).**

Class 1-E consists of all Sewer Swap Agreement Claims. Class 1-E is Impaired under the Plan.

The holders of Sewer Swap Agreement Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-E Claims nor will such holders retain any property on account of such Claims, Class 1-E is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-E are not entitled to vote to accept or reject the Plan on account of such Claims.

(f) **Class 1-F (Other Standby Sewer Warrant Claims).**

Class 1-F consists of all Other Standby Sewer Warrant Claims. Class 1-F is Impaired under the Plan.

The holders of Other Standby Sewer Warrant Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 1-F Claims nor will such holders retain any property on account of such Claims, Class 1-F is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 1-F are not entitled to vote to accept or reject the Plan on account of such Claims.

(g) **Class 2-A (Series 2004-A School Claims).**

Class 2-A consists of all Series 2004-A School Claims. Class 2-A is Impaired under the Plan.

All Claims in Class 2-A will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A School Claims subject to subordination under

Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-A Claim will on account of such holder's Class 2-A Claim retain all of such holder's rights and interests in its Series 2004-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2004-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2004-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-A Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-A Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2004-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-A Claims.

(h) Class 2-B (Series 2005-A School Claims).

Class 2-B consists of all Series 2005-A School Claims. Class 2-B is Impaired under the Plan.

All Claims in Class 2-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2005-A School Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 2-B Claim will on account of such holder's Class 2-B Claim retain all of such holder's rights and interests in its Series 2005-A School Warrants, which will be repaid on the terms and conditions set forth in the School Warrant Indenture as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture shall be modified on the Effective Date in the following respects:

- (i) Subject to the County having satisfied its payment obligations in respect of the Series 2005-A School Warrants through the Effective Date, all School Warrant Events of Default under the School Warrant Indenture that occurred prior to or that were continuing on the Effective Date generally with respect to all School Warrants or with respect to the Series 2005-A School Warrants shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (ii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, the Effective Date, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School

Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.

- (ii) None of the following events shall constitute School Warrant Events of Default under the School Warrant Indenture: (A) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; (B) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the subsequent filing of any bankruptcy case or proceeding under any other insolvency regime regarding either of Ambac or Ambac Financial Group Inc., including the appointment of any “orderly liquidation authority” under 12 U.S.C. §§ 5381-5394. For the avoidance of doubt, to the extent that School Warrant Events of Default may have occurred on or prior to the Effective Date due to the foregoing events, such School Warrant Events of Default shall be deemed waived and of no further force or effect.
- (iii) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-B Claims shall be deemed to consent to the execution of the School Warrant Second Supplemental Indenture by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-B Claims on account of the County’s retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the “Jefferson County Limited Obligation School Warrant Revenue Account” established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee’s rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

Nothing in the Plan is intended to release or affect any rights or claims that holders of Series 2005-A School Warrants or the School Warrant Trustee may have against the School Warrant Insurer; *provided, however*, that in no event shall any such rights give rise to any Claims against the County or its property that are not satisfied and released by the treatment provided herein for Allowed Class 2-B Claims.

(i) **Class 2-C (Series 2005-B School Claims and Standby School Warrant Claims).**

Class 2-C consists of all Series 2005-B School Claims and (to the extent not otherwise included) all Standby School Warrant Claims. Class 2-C is Impaired under the Plan.

All Claims in Class 2-C will be Allowed on the Effective Date. Each holder of an Allowed Class 2-C Claim will on account of such holder's Class 2-C Claim retain all of such holder's rights and interests in its Series 2005-B School Warrants, which will be repaid on the terms and conditions set forth in School Warrant Indenture and the Standby School Warrant Purchase Agreement, in each case as modified by the Plan. Pursuant to Bankruptcy Code section 1123(a)(5)(F), the School Warrant Indenture and the Standby School Warrant Purchase Agreement shall be modified on the Effective Date in the following respects:

- (i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the New Bank Rate.
- (ii) All School Warrant Events of Default under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such School Warrant Events of Default. For the avoidance of doubt, and except as otherwise provided in clause (iii) immediately below, the fact that a School Warrant Event of Default existed at any time prior to, or at the time of, February 11, 2013, shall not give rise to any argument or claim that any future occurrence or recurrence of such type of School Warrant Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.
- (iii) All School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013, and the Effective Date shall be deemed waived and of no further force or effect: (A) the pendency of the Case; (B) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (C) the County's retention of the Retained Amount in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Case notwithstanding any contrary provision of the School Warrant Indenture. In addition, all School Warrant Events of Default that could result under the School Warrant Indenture or the Standby School Warrant

Purchase Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the Effective Date shall be deemed waived and of no further force or effect: (x) the pendency of a proceeding regarding the “Segregated Account” of Ambac in Wisconsin state court; and (y) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

- (iv) Provided that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, each holder of a Class 2-C Claim shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including under the School Insurance Policies. For the avoidance of doubt, if any School Warrant Events of Default (other than those waived pursuant to the provisions described in clauses (ii) and (iii) immediately above) occur under the School Warrant Indenture or the Standby School Warrant Purchase Agreement after February 11, 2013, the holders of Class 2-C Claims will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby School Warrant Purchase Agreement from and after the occurrence of such School Warrant Events of Default. The County will represent at the Confirmation Hearing that no School Warrant Events of Default (other than those waived pursuant to clauses (ii) and (iii) immediately above) have occurred under the School Warrant Indenture or the Standby School Warrant Purchase Agreement during the period between February 11, 2013, and the date on which the Confirmation Hearing begins and will request that the Bankruptcy Court include such a finding in the Confirmation Order.
- (v) At least five (5) Business Days prior to the first interest payment date after the Effective Date, the County shall provide the True-Up Certificate to the School Warrant Trustee and direct the School Warrant Trustee: (X) to reduce the aggregate outstanding principal balance of the Series 2005-B School Warrants by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the Series 2005-B School Warrants, and (Y) to subtract the remainder of the True-Up Amount (after giving effect to the principal reduction referenced in clause (X) of this sentence) from the interest otherwise payable on such interest payment date on account of the Series 2005-B School Warrants. Holders of the Series 2005-B School Warrants shall take such actions as may be reasonably requested by the School Warrant Trustee to implement the principal reduction by the True-Up Amount as described herein.
- (vi) If and to the extent that Future Tax Proceeds are collected or held by the County after the Effective Date, the County shall comply with the mandatory redemption provisions of the School Warrant Indenture, but for so long as the Series 2005-B School Warrants are outstanding the County shall exercise any discretion and powers the County holds under the School Warrant Indenture to direct the School

Warrant Trustee to redeem the Series 2005-B School Warrants, and not the Series 2005-A School Warrants or the Series 2004-A School Warrants, on the next applicable redemption date. In addition, notwithstanding any provision to the contrary in the School Warrant Indenture, including Section 2.1(f) of the First Supplemental Indenture, the County will not direct the School Warrant Trustee to credit any portion of the mandatory redemptions made after the Effective Date of the Series 2005-B School Warrants as against the principal amortization schedule set forth in the School Warrant Indenture (including the First Supplemental Indenture thereto) or otherwise.

- (vii) If the County causes a remarketing of or restructuring of any of the outstanding Series 2005-B School Warrants under the School Warrant Indenture, such remarketing or restructuring shall be for no less than 100% of such outstanding Series 2005-B School Warrants and the Standby School Warrant Purchase Agreement shall be replaced or cancelled contemporaneously with the closing of such remarketing or restructuring, thereby relieving Depfa Bank PLC from its obligations to provide liquidity support with respect to the Series 2005-B School Warrants. For the avoidance of doubt, the preceding sentence is intended to prohibit the County from remarketing or restructuring a portion of the Series 2005-B Warrants and leaving the Standby School Warrant Purchase Agreement in place; further, the preceding sentence is intended to require the County to remarket or restructure the Series 2005-B School Warrants on an all or none basis

To the extent necessary to give effect to the foregoing modifications, each holder of Allowed Class 2-C Claims shall consent to the execution of the School Warrant Second Supplemental Indenture, in a form acceptable to Depfa Bank PLC, by the County and the School Warrant Trustee on the Effective Date.

On the Effective Date, or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the School Warrant Indenture. No compensation, damages, interest, or other amounts will be Allowed or otherwise payable to any holders of Class 2-C Claims on account of the County's retention of the Retained Amount.

Any unpaid portion of the School Warrant Trustee Fee Claims shall be paid in Cash on the Effective Date to the School Warrant Trustee out of funds in the "Jefferson County Limited Obligation School Warrant Revenue Account" established under the School Warrant Indenture. Nothing in the Plan is intended to or will affect the School Warrant Trustee's rights to compensation or its lien, priorities, or any other rights under the School Warrant Indenture.

(j) Class 2-D (School Policy – General Claims).

Class 2-D consists of all School Policy – General Claims. Class 2-D is Impaired under the Plan.

All Claims in Class 2-D will be Allowed on the Effective Date. Notwithstanding anything to the contrary in the School Policy – General, the School Warrant Indenture, or the

Standby School Warrant Purchase Agreement, the holders of Class 2-D Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-D Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(k) Class 2-E (School Surety Reimbursement Claims).

Class 2-E consists of all School Surety Reimbursement Claims. Class 2-E is Impaired under the Plan.

All Claims in Class 2-E will be Allowed on the Effective Date. Notwithstanding anything to the contrary in (i) the School Surety; (ii) that certain *Guaranty Agreement* dated as of February 2, 2005, by and between the County and Ambac; (iii) the School Warrant Indenture; or (iv) the Standby School Warrant Purchase Agreement, the holders of Class 2-E Claims (including, for the avoidance of doubt, the School Warrant Insurer) will consent to all modifications of the School Warrant Indenture and of the Standby School Warrant Purchase Agreement set forth in the treatment for Class 2-A Claims, Class 2-B Claims, and Class 2-C Claims.

All other legal, equitable, and contractual rights of holders of Allowed Class 2-E Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto.

(l) Class 3-A (Board of Education Lease Claims).

Class 3-A consists of all Board of Education Lease Claims. Class 3-A is not Impaired under the Plan.

All Claims in Class 3-A will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-A Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. The holders of Board of Education Lease Warrants shall retain all of their limited payment rights and recourse against the collateral securing obligations under the Board of Education Lease Indenture. Consistent with the Board of Education Lease Indenture, the County has no general liability on account of the Board of Education Lease Claims, which fact will be unaltered by the Plan. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-A Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-A Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-A Claims. For the avoidance of doubt, the rights of the Board of Education

Lease Trustee under the Board of Education Lease Indenture, including in respect of any unpaid Board of Education Lease Trustee Fee Claims, are unimpaired by the Plan.

(m) Class 3-B (Board of Education Lease Policy Claims).

Class 3-B consists of all Board of Education Lease Policy Claims. Class 3-B is not Impaired under the Plan.

All Claims in Class 3-B will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 3-B Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. To the extent required, the County shall (i) cure any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to the Allowed Class 3-B Claims, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (ii) reinstate the maturity of such Allowed Class 3-B Claims as the maturity existed under the Board of Education Lease Indenture before any default, without recognition of any default rate of interest or similar penalty or charge; and (iii) otherwise leave unaltered the legal, equitable, and contractual rights with respect to such Allowed Class 3-B Claims.

(n) Class 4 (Other Secured Claims, including Secured Tax Claims).

Class 4 consists of all Other Secured Claims, including all Secured Tax Claims. Each Class 4 Claim shall constitute its own subclass. Class 4 is not Impaired under the Plan.

All Claims in Class 4 will be Allowed on the Effective Date. The legal, equitable, and contractual rights of holders of Allowed Class 4 Claims are unaltered by the Plan, provided that all such Claims shall remain subject to any and all defenses, counterclaims, and setoff or recoupment rights of the County with respect thereto. Unless the holder of an Allowed Class 4 Claim in a particular Class 4 subclass agrees to other treatment, on or as soon as is reasonably practicable after the Effective Date, such holder shall receive, at the County's option: (i) Cash in the Allowed amount of such holder's Allowed Class 4 Claim; (ii) the return of the collateral securing such Allowed Class 4 Claim, without representation or warranty by or recourse against the County; or (iii) (A) the cure of any default, other than a default of the kind specified in Bankruptcy Code section 365(b)(2), that Bankruptcy Code section 1124(2) requires to be cured, with respect to such holder's Allowed Class 4 Claim, without recognition of any default rate of interest or similar penalty or charge, and upon such cure, no default shall exist; (B) the reinstatement of the maturity of such Allowed Class 4 Claim as the maturity existed before any default, without recognition of any default rate of interest or similar penalty or charge; and (C) its unaltered legal, equitable, and contractual rights with respect to such Allowed Class 4 Claim.

The Bankruptcy Court shall retain jurisdiction to determine the amount necessary to satisfy any Allowed Class 4 Claim for which treatment is elected under clause (i) or clause (iii) of the immediately foregoing paragraph. With respect to any Allowed Class 4 Claim for which treatment is elected under clause (i), any holder of such Allowed Class 4 Claim shall release (and by the Confirmation Order shall be deemed to release) all liens against property of the County.

(o) **Class 5-A (Series 2001-B GO Claims and Standby GO Warrant Claims).**

Class 5-A consists of all Series 2001-B GO Claims and (to the extent not otherwise included) all Standby GO Warrant Claims. Class 5-A is Impaired under the Plan.

All Claims in Class 5-A will be Allowed on the Effective Date. However, with the exception of Claims on account of principal and prepetition non-default interest in the aggregate amount of \$105,123,291.67 (consisting of the BLB GO Claim and the JPMorgan GO Claim), the additional settlement payments set forth in this Section 2.3(o), and the reasonable fees and expenses of the GO Warrant Trustee, the GO Warrant Trustee and the GO Banks will waive and release all other asserted Claims in Class 5-A, including on account of default rate interest, the GO Banks' fees and expenses, and postpetition interest, which will receive no Distribution under the Plan.

On the Effective Date each holder of an Allowed Class 5-A Claim shall receive, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Series 2001-B GO Claims, the following: (1) Cash in the amount of \$123,291.67, to be distributed as specified in Exhibit A to the GO Plan Support Agreement; and (2) a Pro Rata Distribution of Replacement 2001-B GO Warrants, which will be repaid on the terms set forth in the Amended and Restated GO Warrant Indentures. In addition, the County shall pay the following amounts in Cash on the Effective Date as consideration for the settlement, waiver, and release of additional prepetition Claims under the Standby GO Warrant Purchase Agreement: \$500,000 payable to BLB and \$250,000 payable to JPMorgan Chase Bank, N.A.; *provided, however*, that (x) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to BLB pursuant to this sentence; and (y) 50% of the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants will be netted against and reduce the amount payable to JPMorgan Chase Bank, N.A. pursuant to this sentence; *provided, further*, that the actual costs incurred by the County's counsel in preparing a limited offering memorandum with respect to the Replacement 2001-B GO Warrants and netted against the amounts payable to BLB and JPMorgan Chase Bank, N.A. pursuant to this sentence shall not exceed \$50,000 in the aggregate.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2001-B GO Warrants and the Replacement 2001-B GO Warrants.

In accordance with the GO Warrant Indenture, the County shall pay all reasonable fees and expenses of the GO Warrant Trustee, including the reasonable fees and expenses of its agents and counsel, in Cash on or as soon as practicable after the Effective Date, but in any event no more than two (2) Business Days after the Effective Date. Nothing in the Plan is intended to or will affect the rights and priorities granted to the GO Warrant Trustee pursuant to Sections 12.3(b) and 13.7(b) of the GO Warrant Indenture.

(p) Class 5-B (Series 2003-A GO Claims).

Class 5-B consists of all Series 2003-A GO Claims. Class 5-B is not Impaired under the Plan.

All Claims in Class 5-B will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2003-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-B Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-B Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2003-A and in its Series 2003-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2003-A GO Warrants, the Series 2003-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2003-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2003-A GO Warrants.

(q) Class 5-C (Series 2004-A GO Claims).

Class 5-C consists of all Series 2004-A GO Claims. Class 5-C is not Impaired under the Plan.

All Claims in Class 5-C will be Allowed on the Effective Date; *provided, however*, that for the avoidance of doubt, any Series 2004-A GO Claims subject to subordination under Bankruptcy Code section 510(b) will not be Allowed and are separately classified as Subordinated Claims. Each holder of an Allowed Class 5-C Claim shall retain, in full, final, and complete settlement, satisfaction, release, and exchange of such holder's Class 5-C Claims, all of such holder's legal, equitable, and contractual rights and interests under the GO Resolution 2004-A and in its Series 2004-A GO Warrants, provided that any GO Events of Default that occurred prior to or that were continuing on the Effective Date shall be deemed waived and of no further force or effect, without any requirement that the County provide any compensation or take any action to cure or otherwise eliminate any such GO Events of Default. Based on such

treatment and National's payment during the Case of all regularly scheduled principal and interest due on the Series 2004-A GO Warrants, the Series 2004-A GO Claims shall be deemed unimpaired under the Plan and accordingly the holders of such Claims will not be solicited.

From and after the Effective Date and without limiting the effects of the waiver of all prior and continuing GO Events of Default under the Plan, the GO Resolution 2004-A and the GO Insurance Policies shall remain in effect, subject to all terms and conditions thereof, until the Series 2004-A GO Warrants are paid in full. The County will pay in the ordinary course the reasonable fees and costs of the GO Paying Agents to the extent unpaid but required to be paid under the GO Resolutions. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the Series 2004-A GO Warrants.

(r) **Class 5-D (GO Policy Claims).**

Class 5-D consists of all GO Policy Claims. Class 5-D is Impaired under the Plan.

All Claims in Class 5-D will be Allowed on the Effective Date, and National shall receive the following payments, in full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-D Claims:

(i) the County will pay \$503,046.53 to reimburse National for the accrued prepetition interest that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(ii) the County will pay \$2,880,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2012 on April 1, 2014;

(iii) the County will pay \$2,965,000 to reimburse National for the principal that National paid under the GO Insurance Policies in April 2013 on April 1, 2015;

(iv) as a compromise and settlement of the National Fees and Expenses Claims, the County will pay National \$1,500,000 in Cash on the Effective Date;

(v) as a compromise and settlement of the National Reimbursement Claims, including National's contention that the National Reimbursement Claims constitute a right of reimbursement to which National is entitled in accordance with the Bankruptcy Code and applicable law, the County will pay National the National Reimbursement Payments; *provided, however,* that at any time on or after Effective Date, the County shall have the option to prepay the National Reimbursement Payments in whole or in part without premium or penalty, which prepayment option is exercisable by the County paying to National an aggregate amount equal to the nominal sum of the amount of the National Reimbursement Payments that the County elects to prepay discounted to present value as of the prepayment date using a discount rate of 4.90% back from the date of maturity to the prepayment date; and

(vi) The County's obligations to National under the Plan (other than with respect to payment of the National Reimbursement Payments, which obligations will bear no interest) will bear interest from and after the Effective Date until satisfied at a fixed rate equal to the Wall Street Journal prime rate on the Effective Date plus 1.65% per annum.

From and after the Effective Date, the GO Insurance Policies and the GO Resolutions will remain in effect, subject to all terms and conditions thereof, until the Series 2003-A GO Warrants and the Series 2004-A GO Warrants are paid in full. To the extent the County fails to make a scheduled principal or interest payment on account of the Series 2003-A GO Warrants or the Series 2004-A GO Warrants after the Effective Date, National may exercise all of its rights and remedies against the County as set forth in the GO Insurance Policies and the GO Resolutions and subject to all terms and conditions thereof.

The form of Confirmation Order proposed by the County will include the GO Acknowledgement with respect to the GO Insurance Policies.

(s) **Class 5-E (GO Swap Agreement Claims).**

Class 5-E consists of all GO Swap Agreement Claims. Class 5-E is Impaired under the Plan.

All Claims in Class 5-E will be Allowed on the Effective Date in the aggregate amount of \$7,893,762.30, plus interest accrued thereon at the applicable rate as set forth in the GO Swap Agreement. In full, final, and complete settlement, satisfaction, release, and exchange of all Class 5-E Claims, and as part of the global settlement between the County and the JPMorgan Parties implemented pursuant to the Plan, on the Effective Date the County shall pay JPMorgan Chase Bank, N.A. \$10.00.

(t) **Class 6 (General Unsecured Claims).**

Class 6 consists of all General Unsecured Claims. Class 6 is Impaired under the Plan.

Holders of Allowed Class 6 Claims will receive a Pro Rata Distribution from the General Unsecured Claims Pool on the GUC Payment Date.

Notwithstanding the foregoing, on the Effective Date, (i) JPMS will waive and release any and all rights to receive any Distribution under the Plan on account of the JPMorgan Asserted Recourse Indemnification Claims; (ii) the Sewer Warrant Insurers will waive and release any all rights to receive any Distribution under the Plan on account of their respective Asserted Full Recourse Sewer Claims; and (iii) no Distribution will be made under the Plan on account of the Sewer Warrant Trustee's Asserted Recourse Claim. For the avoidance of doubt, no Asserted Full Recourse Sewer Claims shall be allowed under the Plan, and the County reserves all its rights to dispute any Asserted Full Recourse Sewer Claims that are not waived and released under the Plan (including with respect to the allowance, amount, and priority of any such Claims) after the Effective Date.

(u) **Class 7 (Bessemer Lease Claims).**

Class 7 consists of all Bessemer Lease Claims. Class 7 is Impaired under the Plan.

All Claims in Class 7 will be Allowed on the Effective Date. In full, final, and complete settlement, satisfaction, release, and exchange of the Bessemer Lease Claims, the County shall recognize and perform all of its obligations under the Bessemer Stipulation, including with respect to the New Bessemer Lease. The holders of Class 7 Claims will not receive any additional or other Distributions under the Plan beyond those that such holders receive as a result of the County's performance under the Bessemer Stipulation.

(v) **Class 8 (Other Unimpaired Claims).**

Class 8 consists of all Consent Decree Claims, Deposit Refund Claims, Eminent Domain Claims, Employee Compensation Claims, Employee Indemnification Claims, OPEB Plan Claims, Pass-Through Obligation Claims, Retirement System Claims, Tax Abatement Agreement Claims, and Workers Compensation Claims. Class 8 is not Impaired under the Plan.

Notwithstanding any other term or provision of the Plan, the legal, equitable, and contractual rights of the holders of Class 8 Claims are unaltered by the Plan, and the Plan leaves unaltered the legal, equitable, and contract rights of all Persons with respect to the Other Unimpaired Claims. Without limitation, the County retains all Causes of Action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Other Unimpaired Claims.

(w) **Class 9 (Subordinated Claims).**

Class 9 consists of all Subordinated Claims. Class 9 is Impaired under the Plan.

The holders of Subordinated Claims shall neither receive any Distributions nor retain any property under the Plan on account of such Claims. Because no Distributions will be made to holders of Class 9 Claims nor will such holders retain any property on account of such Claims, Class 9 is deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g), and therefore holders of Claims in Class 9 are not entitled to vote to accept or reject the Plan on account of such Claims.

Section 2.4. Impaired Classes to Vote.

Except to the extent a Class of Claims is deemed to have rejected the Plan, each holder of a Claim in an Impaired Class as of the Ballot Record Date shall be entitled to vote to accept or reject the Plan as provided in the Plan Procedures Order, or in any other order or orders of the Bankruptcy Court.

Section 2.5. Classification Controversies.

(a) If a controversy arises regarding whether any Claim is properly classified under the Plan, the Bankruptcy Court shall, upon proper motion and notice, determine such controversy at the Confirmation Hearing.

(b) If the Bankruptcy Court finds that the classification of any Claim other than a Sewer Debt Claim is improper, then such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in, and the Claim shall receive the treatment prescribed in, the Class in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan.

(c) If the Bankruptcy Court finds that the classification of any Sewer Debt Claim is improper, then, subject to Section 2.5(d), such Claim shall be reclassified and the Ballot previously cast by the holder of such Claim shall be counted in the Class (which may or may not be a Class presently set forth in Section 2.3) in which the Bankruptcy Court determines such Claim should have been classified, without the necessity of resoliciting any votes on the Plan, and the holder of such Claim shall receive the same treatment under the Plan as is presently set forth in the Class from which such Claim was reclassified.

(d) If as a result of the reclassification of any Sewer Debt Claim pursuant to Section 2.5(c), or in connection with any amendment to the Plan or otherwise, the Plan is no longer an "Acceptable Plan" for purposes of any Sewer Plan Support Agreement, then notwithstanding Section 2.5(c), all Ballots cast as required by such Sewer Plan Support Agreement shall be deemed withdrawn, null, and void unless the voting party to the applicable Sewer Plan Support Agreement has reaffirmed its Ballot in writing. Nothing in this Section 2.5 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement.

Section 2.6. No Section 1111(b)(2) Elections.

Pursuant to Bankruptcy Code section 927, the election under Bankruptcy Code section 1111(b)(2) is not available to holders of Special Revenues Claims under the Plan.

Section 2.7. Acceptance by Class of Claims.

An Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan. Classes that are not Impaired under the Plan are presumed to have accepted the Plan.

Section 2.8. Cramdown.

With respect to any Impaired Class of Claims that fails to accept the Plan, the County requests that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b), subject to any applicable Plan Support Agreement.

ARTICLE III
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 3.1. Assumption of Certain Executory Contracts and Unexpired Leases.

(a) Assumption of Agreements.

On the Effective Date the County shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements.

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.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include 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 executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

The Confirmation Order will constitute a Bankruptcy Court order approving the assumption, on the Effective Date, of all executory contracts and unexpired leases identified on the Schedule of Assumed Agreements.

(b) Cure Payments.

Any amount that must be paid under Bankruptcy Code section 365(b)(1) to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash, within ten (10) Business Days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the County to provide "adequate assurance of future performance" within the meaning of Bankruptcy Code section 365 with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the County unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

(c) Objections to Assumption/Cure Payment Amounts.

Any Person that is a party to an executory contract or unexpired lease that will be assumed under the Plan and that objects to such assumption (including the proposed Cure

Payment) must File with the Bankruptcy Court and serve upon parties entitled to notice a written statement and supporting declaration stating the basis for its objection. This statement and declaration must be Filed and served on the County on or before **October 21, 2013**. Any Person that fails to timely File and serve such a statement and declaration shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its contract or lease.

In the absence of a timely objection by a Person that is a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any cure and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that the County has demonstrated adequate assurance of future performance with respect to such executory contract or unexpired lease, to the extent required.

(d) Resolution of Claims Relating to Assumed Contracts and Leases.

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or postpetition arrearage or other Claim (including any Claim asserted in a Filed proof of Claim or listed on the List of Creditors) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim or the List of Creditors). Upon the tendering of the Cure Payment, any such Filed or scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

Section 3.2. Rejection of Executory Contracts and Unexpired Leases.

(a) Rejected Agreements.

On the Effective Date all executory contracts and unexpired leases that the County entered into on or before the Petition Date that (i) have not been previously assumed or rejected by the County and (ii) are not set forth on the Schedule of Assumed Agreements shall be rejected. For the avoidance of doubt, executory contracts and unexpired leases that have been previously assumed or assumed and assigned pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

(b) Rejection Bar Date.

Any Rejection Damage Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served on the County by the Rejection Bar Date. Any such Claims that are not timely Filed and served will be forever barred and unenforceable against the County and its property, and Persons holding such Claims will not receive and be barred from receiving any Distributions on account of such untimely Claims.

Section 3.3. Postpetition Contracts and Leases.

Except as expressly provided in the Plan or the Confirmation Order, all executory contracts and unexpired leases that the County has entered into after the Petition Date with due authorization of the County Commission will be assumed and retained by the County and will remain in full force and effect from and after the Effective Date.

ARTICLE IV
MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

Section 4.1. Consent Under Bankruptcy Code Section 904.

Pursuant to and for purposes of Bankruptcy Code section 904, the County consents to entry of the Confirmation Order on the terms and conditions set forth herein and to entry of any further orders as necessary or required to implement the provisions of the Plan or any and all related transactions.

Section 4.2. Continued Governance of the County and the Sewer System.

From and after the Effective Date, the County Commission shall continue to govern the County and shall continue to administer, control, manage, and operate the property and enterprises of the County (including the Sewer System) in accordance with the Plan, the County's constituent documents, any applicable indentures or other governing contracts, the Alabama Constitution, applicable statutes of the State of Alabama, the EPA Consent Decree, the Personnel Board Consent Decree, and other applicable laws.

Section 4.3. Application of the Approved Rate Structure.

From and after the Effective Date, the Confirmation Order shall constitute a conclusive finding and determination that the Approved Rate Structure complies with the requirements of Bankruptcy Code sections 943(b)(6) and 1129(a)(6) and applicable state law, and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County in accordance with the Plan and under all applicable state and federal laws. From and after the Effective Date, 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).

Section 4.4. Retention of Assets Generally.

Except as otherwise expressly provided in the Plan, all assets and properties of the County shall be retained by the County on the Effective Date, free and clear of all Claims, liens, encumbrances, charges, and interests. From and after the Effective Date, the County may conduct its affairs and use, acquire, and dispose of any assets or property without supervision by

the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

Section 4.5. Certain Transactions on the Effective Date.

(a) On the Effective Date the County shall issue the New Sewer Warrants under the New Sewer Warrant Indenture.

(b) On the Effective Date the County shall issue and deliver the Replacement 2001-B GO Warrants under the Amended and Restated GO Warrant Indentures, along with the initial payments required on the Effective Date pursuant to the Replacement 2001-B GO Warrants and Section 2.3(o).

(c) On or before the Effective Date, the County shall pay each Sewer Warrant Insurer an amount equal to each Sewer Warrant Insurer's respective Covered Tail Risk.

(d) On the Effective Date the County shall execute the School Warrant Second Supplemental Indenture.

(e) On the Effective Date, the County shall execute the Reserve Fund LOC Agreements.

Section 4.6. Disposition of the Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, and Refinancing Proceeds.

(a) As a proposed settlement incorporated into the Plan pursuant to Bankruptcy Rule 9019 of any and all Causes of Action and matters raised in or that could have been raised in the Declaratory Judgment Action, and any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or any Causes of Action related to the reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants, (i) on the Effective Date, Cash in amounts equal to the Reinstated Sewer Warrant Principal Payments (without giving effect to any acceleration or any accelerated redemption schedule), the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount shall be distributed by the Sewer Warrant Trustee to the applicable parties from the Accumulated Sewer Revenues, including with respect to the Sewer Warrants held by the Sewer Plan Support Parties; (ii) for purposes of Distributions under the Plan, no payments made during the Case (other than amounts used to repay Sewer Warrants at maturity or to redeem Sewer Warrants prior to maturity, including, as applicable, making regularly scheduled principal payments on the Sewer Warrants and the Reinstated Sewer Warrant Principal Payments) shall be applied or recharacterized to reduce principal; and (iii) no Distributions shall be made on account of postpetition interest accrued on any Sewer Warrants in excess of pre-default rates or, with respect to Bank Warrants, the Sewer Bank Rate.

(b) On the Effective Date the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to satisfy the Sewer Warrant Trustee

Fee Claims to the extent unpaid but permitted to be paid under the Sewer Warrant Indenture and to reserve an amount equal to the Sewer Warrant Trustee Residual Fee Estimate. Any such application and reserve by the Sewer Warrant Trustee shall fully, finally, and completely satisfy, discharge, and release all Sewer Warrant Trustee Fee Claims. If and only if there is an Unused Covered Tail Risk Amount, the Sewer Warrant Trustee shall apply any Sewer Warrant Indenture Funds in the Sewer Warrant Trustee's possession to establish a reserve for Sewer Wrap Payment Rights Administration Expenses to the extent and in the amount of the Unused Covered Tail Risk Amount, which the Sewer Warrant Trustee may thereafter invest in an interest-bearing account and utilize to satisfy Sewer Wrap Payment Rights Administration Expenses as such expenses become due. The County shall have no obligation to pay, fund (including from Accumulated Sewer Revenues, Sewer Warrant Indenture Funds, or Refinancing Proceeds), or otherwise provide for any Sewer Wrap Payment Rights Administration Expenses beyond the Unused Covered Tail Risk Amount and such interest as may be obtained through the Sewer Warrant Trustee's investment of the reserve established with the Unused Covered Tail Risk Amount. Notwithstanding anything to the contrary in this Section 4.6(b), if the Unused Covered Tail Risk Amount is less than the Sewer Wrap Payment Rights Administration Expenses and if any applicable Sewer Warrant Insurers will not provide a source of payment for the Sewer Wrap Payment Rights Administration Expenses in excess of the Unused Covered Tail Risk Amount on terms acceptable to the Sewer Warrant Trustee, then the Sewer Warrant Trustee shall have no obligation or responsibility to perform any action that would give rise to Sewer Wrap Payment Rights Administration Expenses.

(c) On the Effective Date, the Sewer Warrant Trustee or the County, as the case may be, shall apply the following funds in the following order for purposes of making the Distributions provided under the Plan for holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D:

(1) first, Refinancing Proceeds (including to Persons entitled to Excess Refinancing Proceeds in accordance with Section 4.19), provided that Refinancing Proceeds shall not be used to satisfy any Series 2003-A Sewer Claims or any Class 1-D Claims;

(2) second, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Remaining Accumulated Sewer Revenues; and

(3) third, but only to the extent necessary to make the required Distributions (including on account of the Series 2003-A Sewer Claims and all Class 1-D Claims), Sewer Warrant Indenture Funds remaining after giving effect to the application permitted or required by Section 4.6(b).

(d) On the Effective Date, all Remaining Accumulated Sewer Revenues and Sewer Warrant Indenture Funds remaining after giving effect to the usage permitted or required by Section 4.6(c) shall be applied in accordance with the New Sewer Warrant Indenture.

Section 4.7. Commutation Election Protocols and Effect on the Sewer Insurance Policies.

(a) Presumptions Regarding the Commutation Election.

All holders of Claims in Class 1-A and Class 1-B that (i) do not return any Ballot by the Ballot Deadline, (ii) return a Ballot by the Ballot Deadline but do not make any election with respect to the Commutation Election, or (iii) return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election, will be conclusively deemed to have made the Commutation Election; *provided, however*, that (x) any holders of the Series 2003-B-8 Sewer Warrants that either do not return a Ballot, do not indicate an election on any Ballot that is returned by the Ballot Deadline, or return a Ballot by the Ballot Deadline and indicate both an election to make and an election not to make the Commutation Election will be conclusively deemed not to have made the Commutation Election, and (y) any holders of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the Commutation Election will be sent a notice pursuant to the Plan Procedures Order under which such holders will have an opportunity to rescind the deemed Commutation Election and, upon such rescission, shall be deemed not to have made the Commutation Election for all purposes under the Plan and shall have their Series 2003-C-9 Through C-10 Sewer Claims be treated in accordance with Option 2 of Section 2.3(a).

(b) Plan's Effect on the Sewer Insurance Policies.

As a result of the satisfaction and discharge of all Sewer Debt Claims and the cancellation of the Sewer Warrants and the Sewer Warrant Indenture under the Plan, on the Effective Date (i) the Sewer DSRF Policies and the Sewer DSRF Reimbursement Agreements will be cancelled and of no further force or effect; (ii) the Sewer Warrant Trustee will close the "Jefferson County Sewer System Debt Service Reserve Fund" under the Sewer Warrant Indenture and return any surety bonds or other documentation evidencing the Sewer DSRF Policies to the applicable Sewer Warrant Insurer; and (iii) the Sewer Wrap Policies will be cancelled and of no further force or effect except with respect to any Sewer Wrap Payment Rights, and such Sewer Wrap Policies (in the case of FGIC, as modified by any plan of rehabilitation) shall remain in full force and effect with respect to such Sewer Wrap Payment Rights.

Section 4.8. Compromise and Settlement of All Sewer Debt-Related Issues.

(a) Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, in consideration of the settlement and release of all Sewer Released Claims and the treatment and consideration provided under the Plan for Allowed Class 1-A, Class 1-B, Class 1-C, and Class 1-D Claims, the Plan incorporates and is expressly conditioned upon the approval and effectiveness of a comprehensive compromise and settlement by and among the County and the Sewer Plan Support Parties of numerous issues and disputes related to the Sewer System, the Sewer Released Claims, and the allowance and treatment of the Sewer Debt Claims. As of the Effective Date, the Plan accordingly represents a full, final, and complete compromise, settlement, release, and resolution of, among other matters, disputes and pending or potential litigation (including any appeals) regarding the following: (i) the allowability, amount, priority, and treatment of the Sewer Debt Claims; (ii) the validity or

enforceability of the Sewer Warrants; (iii) the valuation of the Sewer System and of the stream of net sewer revenues pledged under the Sewer Warrant Indenture; (iv) the appropriate rates that have been or can be charged to users of the Sewer System; (v) any Causes of Action or Avoidance Actions that the County has asserted or could potentially assert against the JPMorgan Parties or against other of the Sewer Plan Support Parties, including any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vi) the Sewer Released Claims that (A) some of the Sewer Plan Support Parties have asserted or (B) the Sewer Plan Support Parties could potentially assert against other Sewer Plan Support Parties, including, in each case, any subordination claims (including equitable subordination claims and statutory subordination claims) relating to any Sewer Debt Claims held by any of the Sewer Plan Support Parties; (vii) how the Sewer Warrant Trustee has applied revenues of the Sewer System to payment of certain Sewer Debt Claims both before and during the Case, including any Causes of Action related to the reapplication to principal of any interest payments made on the Sewer Warrants during the Case or reallocation of any payments made on the Sewer Warrants both before and during the Case among the holders of various series and subseries of Sewer Warrants; (viii) the various issues raised by the Declaratory Judgment Action; (ix) the scope and extent of any liens or other property rights under the Sewer Warrant Indenture; (x) whether, and the extent to which, the County may recover from Sewer System revenues amounts actually incurred or previously paid by the County on account of professional fees prior to and during the Case; (xi) the allowance and amount of any Bank Warrant Default Interest Claims; (xii) the priority of the LBSF Periodic Payment Claim, the various issues raised by the LBSF Periodic Payment Claim, and the Sewer Warrant Trustee's treatment of and obligations with respect to that Claim; (xiii) the various issues raised by the Receivership Actions; and (xiv) other historical and potential issues associated with the Sewer System and its financing.

(b) This comprehensive compromise and settlement will be binding on the County, on all Persons who have asserted or could assert any potential Causes of Action or Avoidance Actions for or on behalf of the County in any fashion, including derivatively or directly, and on all Creditors concerning the Sewer Released Claims compromised and settled under the Plan (including as described in Section 4.8(a)) in any pending or potential litigation (including any appeals) before any court or agency. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of disputed Sewer Released Claims inextricably bound with the Plan. As such, the approval and consummation of the Plan will conclusively bind all Creditors and other parties in interest, and the releases and settlements effected under the Plan will be operative as of the Effective Date and subject to enforcement by the Bankruptcy Court from and after the Effective Date, including pursuant to the injunctive provisions of Sections 6.2 and 6.3.

(c) In order to give effect to this comprehensive compromise and settlement, (i) any adversary proceedings or contested matters involving Sewer Released Claims shall be dismissed effective as of the Effective Date; and (ii) in connection with the occurrence of the Effective Date, each of the County, the Sewer Plan Support Parties, and the Sewer Warrant Trustee (as applicable) shall file in other appropriate courts stipulations of dismissal among the applicable parties or motions to dismiss any pending litigation (including any appeals) commenced by the County, any of the Sewer Plan Support Parties, or the Sewer Warrant Trustee against the County

or any of the Sewer Plan Support Parties with prejudice, with such dismissals to be effective on and contingent upon the occurrence of the Effective Date.

Section 4.9. JPMorgan Reallocation of Distributions and Consideration Provided by the Sewer Warrant Insurers.

(a) The Sewer Warrant Claims and Bank Warrant Claims held by the JPMorgan Parties shall be Allowed on the Effective Date in an aggregate amount equal to (i) the Adjusted Sewer Warrant Principal Amount of all Sewer Warrants held by the JPMorgan Parties and (ii) the amount of any Reinstated Sewer Warrant Principal Payments or Reinstated Sewer Warrant Interest Payments payable under Section 4.6(a) with respect to such Sewer Warrants, and shall be classified in Class 1-A and Class 1-B, respectively. Notwithstanding the general treatment afforded to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, as part of the global settlement among the County, the JPMorgan Parties, and the other Sewer Plan Support Parties to be implemented pursuant to the Plan pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, and in consideration of the settlement and release of all Sewer Released Claims against the JPMorgan Parties as provided herein, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein, to make the Commutation Election with respect to all Sewer Warrants held by the JPMorgan Parties (but without receiving the higher recovery being made available to all other holders of Sewer Warrants that make or are deemed to make the Commutation Election), to provide the Reserve Fund LOC, and to reallocate to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims a substantial portion of the JPMorgan Parties' Pro Rata share of the Distribution made to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, thereby increasing the recovery received by all other holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims and reducing the amount of Sewer System indebtedness following the County's emergence from chapter 9. As a result of such reallocation by the JPMorgan Parties and the contributions by the Sewer Warrant Insurers detailed below, each holder of an Allowed Class 1-A Claim or an Allowed Class 1-B Claim (other than the JPMorgan Parties) will receive, in full settlement, satisfaction, release, and exchange of such holder's Claims, a Distribution of Cash from Refinancing Proceeds and other sources of Cash in one of the two amounts specified in Option 1 and Option 2 of Sections 2.3(a) and 2.3(b). Such Distribution is higher than such holders' Pro Rata share of the Distribution made to all holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims as a result of (i) the reallocation of Plan consideration from the JPMorgan Parties to holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims; and (ii) the consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims on account of such Claims. The sources of the incremental recovery to those holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election will be from (i) the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties; and (ii) consideration provided by the Sewer Warrant Insurers (x) settling and releasing any and all of their Sewer Released Claims

against the County and the JPMorgan Parties pursuant to the Plan, (y) agreeing to receive an aggregate Pro Rata Distribution on account of their Allowed Sewer Warrant Insurer Claims that is less than the Pro Rata share of the Distribution received by the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims, and (z) allowing their Pro Rata share of such reallocated consideration from the JPMorgan Parties to be made available to the holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims that make the Commutation Election on account of such Claims. The source of the Non-Commutation True-Up Amount and the Covered Tail Risk to be paid to the Sewer Warrant Insurers pursuant to Section 2.3(c) shall also be from the reallocation of Plan consideration that otherwise would have been distributed to the JPMorgan Parties.

(b) Based upon the agreements of the Supporting Sewer Warrantholders set forth in Section 5 of the Supporting Sewer Warrantholder Plan Support Agreement, which agreement was reached in order to facilitate the various settlements to be implemented pursuant to the Plan and the occurrence of the Effective Date, the JPMorgan Parties have agreed, subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, to reallocate and distribute to each Supporting Sewer Warrantholder a portion of the JPMorgan Parties' Cash recovery under the Plan after giving effect to the reallocations described in Section 4.9(a) above in an amount (such amount so reallocated and distributed, the "Supporting Sewer Warrantholder Directed Distribution") equal to (i) the principal amount of Eligible Sewer Warrants held by such Supporting Sewer Warrantholder as of the Distribution Record Date, multiplied by (ii) 3.00%; *provided, however*, that the total amount of Eligible Sewer Warrants shall not exceed the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement on the date of execution thereof, and the aggregate amount of the Supporting Sewer Warrantholder Directed Distribution shall not exceed the product of the total set forth on Schedule 1 of the Supporting Sewer Warrantholder Plan Support Agreement multiplied by 3.00%. Subject to the terms and conditions set forth herein and in the Supporting Sewer Warrantholder Plan Support Agreement, on or before the Effective Date, the JPMorgan Parties shall provide irrevocable directions to the County and the Sewer Warrant Trustee to reallocate and Distribute to each Supporting Sewer Warrantholder, instead of to the JPMorgan Parties, such Supporting Sewer Warrantholder's Pro Rata share of the Supporting Sewer Warrantholder Directed Distribution.

(c) Accordingly, without giving effect to the Reserve Fund LOC and after giving effect to the reallocations described in Section 4.9(a) and the Supporting Sewer Warrantholder Directed Distribution, but subject to the potential receipt of Excess Refinancing Proceeds pursuant to Section 4.19, the JPMorgan Parties shall receive, on the Effective Date, Cash in the amount of \$273 million, which is approximately 22% of the Adjusted Sewer Warrant Principal Amount of Sewer Warrants held by the JPMorgan Parties (approximately \$1.218 billion), plus a Distribution of Cash on account of any applicable Reinstated Sewer Warrant Interest Payments in accordance with Section 4.6(a) in full, final, and complete settlement, satisfaction, release, and discharge of all Sewer Debt Claims and Sewer Released Claims held by the JPMorgan Parties. After giving effect to the concessions by the JPMorgan Parties and the Sewer Warrant Insurers described above and the settlements and releases to be implemented pursuant to the Plan, the Sewer Debt Claims held by the JPMorgan Parties and the Sewer Warrant Insurers shall not be subject to any Causes of Action, Avoidance Action, defense, counterclaim, subordination, or offset of any kind.

Section 4.10. Cancellation of Warrants and Other Documents.

(a) On the Effective Date, except to the extent otherwise expressly provided in the Plan, all agreements, certificates, indentures, instruments, notes, resolutions, warrants, and other documents evidencing indebtedness of the County, and all liens, mortgages, pledges, grants, trusts, and other interests relating thereto, shall be automatically cancelled, and all obligations of the County thereunder or in any way related thereto shall be discharged. Without limitation and in addition to the provisions of Section 4.7(b), on the Effective Date (i) the Sewer Warrants will be discharged and cancelled, provided that such discharge and cancellation shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights; (ii) the Sewer Warrant Indenture will be cancelled and of no further force or effect other than for purposes of allowing the Sewer Warrant Trustee to calculate and make Distributions in accordance with the Plan, to seek and obtain dismissals of the Receivership Actions and other applicable pending litigation, and, if applicable, to pursue and administer the Sewer Wrap Payment Rights after the Effective Date (which, for the avoidance of doubt, will impose no cost or expense on the County beyond any Unused Covered Tail Risk Amount); (iii) the Sewer Swap Agreements will be cancelled and of no further force or effect; (iv) the Standby Sewer Warrant Purchase Agreements will be cancelled and of no further force or effect; (v) the Standby GO Warrant Purchase Agreement will be cancelled and of no further force or effect; (vi) the GO Warrant Indenture will be superseded in all respects by the Amended and Restated GO Warrant Indentures; (vii) the Series 2001-B GO Warrants will be cancelled and superseded in all respects by the Replacement 2001-B GO Warrants; and (viii) the GO Swap Agreement will be cancelled and of no further force or effect. From and after the Effective Date, all Plan Support Agreements will be terminated and superseded in all respects by the Plan, except with respect to any provisions that specifically survive termination of the Plan Support Agreements in accordance with their respective terms.

(b) For the avoidance of doubt, the Plan will not cancel or otherwise alter any of the following documents or instruments except to the extent otherwise expressly provided in the Plan: (i) the Board of Education Lease Indenture, (ii) the Board of Education Lease Policy, (iii) the Board of Education Lease Warrants, (iv) the GO Insurance Policies, (v) the GO Resolutions, (vi) the New Bessemer Lease, (vii) the School Insurance Policies, (viii) the School Warrant Indenture, (ix) the School Warrants, (x) the Series 2003-A GO Warrants, (xi) the Series 2004-A GO Warrants, and (xii) the Standby School Warrant Purchase Agreement.

Section 4.11. Termination of Receiver and Dismissal of Receivership Actions.

As a result of the satisfaction and discharge of all Sewer Debt Claims, as well as the cancellation of the Sewer Warrants, the Sewer Warrant Indenture, and the Sewer Insurance Policies (as applicable) under the Plan, from and after the Effective Date, the Receiver's status as receiver of the Sewer System will be terminated and of no further force or effect. On or as soon as reasonably practicable after the Effective Date, the Sewer Warrant Trustee shall pay all of the Receiver's unpaid reasonable fees (including fees of its counsel and experts) and expenses from the Sewer Warrant Indenture Funds and shall dismiss (or obtain any court orders as are necessary to dismiss) each of the Receivership Actions in their entirety and with prejudice.

Section 4.12. Vesting of Preserved Claims.

All Preserved Claims shall be preserved and shall vest in the County on the Effective Date, but only to the extent not expressly released pursuant to the Plan, the Confirmation Order, or any other order of the Bankruptcy Court. From and after the Effective Date, the County shall retain its exclusive right, power, and duty to administer the collection, prosecution, enforcement, settlement, or abandonment of the Preserved Claims in the County's sole and absolute discretion.

Section 4.13. Exemption from Securities Law.

(a) The issuance of the Replacement 2001-B GO Warrants and the New Sewer Warrants are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and all rules and regulations promulgated thereunder. In general, securities issued by the County, such as general obligation warrants and sewer revenue warrants, are exempt from registration under section 3(a)(2) of the 1933 Act. Obligations issued by the County likewise are exempt from registration under current Alabama securities law. These exemptions from registration apply to the New Sewer Warrants and the Replacement 2001-B GO Warrants.

(b) The New Sewer Warrants (other than the Reserve Fund Reimbursement Warrants) will be publically offered. Therefore, the County intends to rely on generally applicable securities law exemptions for the offering and sale of the New Sewer Warrants, provided that the County does not expect to offer the New Sewer Warrants in states in which registration of County securities may be required by applicable state securities law, unless first registered or otherwise qualified for sale in such jurisdiction. The Replacement 2001-B GO Warrants will not be publically offered but instead will be issued to the GO Banks pursuant to the Plan. The Replacement 2001-B GO Warrants will also be exempt from registration under federal or state securities law to the maximum extent provided under Bankruptcy Code section 1145.

(c) Like the exemption from registration provided to the County under section 3(a)(2) of the 1933 Act, generally applicable securities laws provide an exemption from qualification for certain trust indentures entered into by government entities. The New Sewer Warrant Indenture and the Amended and Restated GO Warrant Indentures are each exempt from qualification under section 304(a)(4) of the Trust Indenture Act of 1939.

(d) Nothing in the Plan or the Confirmation Order, including Articles 5 and 6 of the Plan, is intended (i) to preclude the Securities and Exchange Commission from performing its statutory duties, including pursuing any causes of action (including those asserted in the case of *SEC v. Charles LeCroy, et al.*, Case No. 2:09-cv-02238 (N.D. Ala.)), regarding any Person in any forum with proper jurisdiction; or (ii) without limiting the discharge of the County under the Bankruptcy Code, to excuse any Person from being subject to any action brought by the Securities and Exchange Commission on account of such Person's non-compliance with applicable securities law.

Section 4.14. Objections to Claims.

(a) County's Exclusive Right to Object.

The County shall have the right to object to the allowance of Claims as to which liability, amount, priority, classification, or status as secured or unsecured is disputed in whole or in part (except to the extent such Claims have been previously Allowed or are Allowed as set forth in the Plan). Except as otherwise provided herein, the County's rights to object to, oppose, and defend against all Claims on any basis are fully preserved. Unless otherwise ordered by the Bankruptcy Court, the County shall file and serve any such objections on or before the Claims Objection Deadline. After the Effective Date, the County shall have the sole right and authority to control and effectuate the Claims reconciliation process, including to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

(b) Distributions Following Allowance.

At such time as a Contingent Claim, a Disputed Claim, or an Unliquidated Claim becomes an Allowed Claim, in whole or in part, including pursuant to the Plan, the County or its agent shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions, if any, shall be made as soon as practicable after the date on which the order or judgment allowing such Claim becomes a Final Order (or such other date on which the Claim becomes an Allowed Claim, including pursuant to the Plan). Unless otherwise specifically provided in the Plan or allowed by a Final Order of the Bankruptcy Court, no interest shall be paid on Contingent Claims, Disputed Claims, or Unliquidated Claims that later become Allowed Claims.

Section 4.15. Distributions Under the Plan.

Unless otherwise provided in the Plan, the following procedures apply to Distributions.

(a) Responsibility for Making Distributions.

The County or its designated agents, including the Indenture Trustees and the GO Paying Agents under Section 4.15(e)(iv), shall be responsible for distributing all Distributions made to them for the benefit of the holders of the respective underlying warrants and Claims as required under the Plan and, unless otherwise specified in the Plan, pursuant to the applicable operative documents. To the extent applicable, the County or its designated agents shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit with respect to such Distributions, and all Distributions shall be subject to such withholding and reporting requirements.

(b) No De Minimis Distributions.

Notwithstanding anything to the contrary in the Plan, with the exception of Distributions on account of Class 1-D Claims and Class 5-E Claims, no Cash payment of less than fifty dollars (\$50.00) will be made to any Person; *provided, however*, that solely with respect to Distributions from the General Unsecured Claims Pool, if the right to payment of a holder of an Allowed Class 6 Claim does not exceed fifty dollars (\$50.00) on the GUC Payment Date, then such holder will

receive a Cash payment in an amount equal to such holder's entitlement. No consideration will be provided in lieu of the *de minimis* Distributions that are not made pursuant to this Section 4.15(b), and the County shall be authorized and empowered to retain such *de minimis* amounts for its own benefit.

(c) **No Distributions With Respect to Certain Claims.**

Notwithstanding anything to the contrary in the Plan, no Distributions or other consideration of any kind shall be made on account of any Contingent Claim, Disputed Claim, or Unliquidated Claim unless and until such Claim becomes an Allowed Claim, or is deemed to be such for purposes of distribution, and then only to the extent that such Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim.

(d) **Distributions to Holders as of the Distribution Record Date.**

(i) **General Principles.**

At the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holder of any Claim. The County or any other Person responsible for making Distributions shall have no obligation to recognize any transfer of any Claim occurring or purportedly occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Distribution Record Date.

(ii) **Specific Exceptions.**

The general principles set forth in Section 4.15(d)(i) will not apply to Claims arising from the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants (other than any GO Policy Claims), or the Series 2004-A GO Warrants (other than any GO Policy Claims). Subject in all cases to the treatment provided under the Plan, nothing in the Plan will limit the rights of a holder of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants to assign, sell, pledge, hypothecate, or otherwise transfer its warrants to the extent permitted by such warrants, any other applicable operative agreements, and applicable nonbankruptcy law. Subject to the terms of the applicable operative agreements and any requirements under applicable nonbankruptcy law, the County and any applicable Indenture Trustee or GO Paying Agent shall recognize and give effect to assignments, sales, pledges, hypothecations, or other transfers of the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, or the Series 2004-A GO Warrants regardless whether such assignments, sales, pledges, hypothecations, or other transfers were made or settled before, on, or after the Distribution Record Date.

(e) **Delivery of Distributions; Undeliverable/Unclaimed Distributions.**

(i) **Delivery of Distributions in General.**

The County or its designated agents shall make Distributions to each holder of an Allowed Claim as follows: (A) by mail at the address set forth on the proof of Claim Filed by

such holder in respect of such Allowed Claim, unless such holder has provided written notice of address change to the County; (B) by mail at the address set forth in the most recent written notice of address change delivered to the County after the date of any related proof of Claim; (C) by mail at the address reflected in the List of Creditors if no proof of Claim is filed and the County has not received a written notice of a change of address; or (D) through the facilities of DTC for the benefit of the holders of Allowed Sewer Debt Claims. Notwithstanding the foregoing, the County shall make Distributions on account of Allowed Class 1-C Claims directly to holders of Class 1-C Claims pursuant to directions provided to the County by the Sewer Warrant Insurers, and the County and Sewer Warrant Insurers shall provide such information as is necessary in order to prevent the Sewer Warrant Trustee or DTC from making any additional or other Distributions on account of any Allowed Class 1-C Claims.

(ii) Undeliverable and Unclaimed Distributions.

If the County tenders an Undeliverable Distribution, the issuing entity may cancel the distribution check and need not re-attempt delivery, unless the County timely receives notification of the holder's new address before the deadlines described below. If the County tenders an Unclaimed Distribution, the issuer may cancel the distribution check, and need not attempt redelivery, except as otherwise provided herein.

The County shall reserve the funds with respect to all Undeliverable Distributions and Unclaimed Distributions for one (1) year following the Effective Date. If the County does not receive prior to that date a written request from the holder of the applicable Allowed Claim asserting entitlement to an Undeliverable Distribution or Unclaimed Distribution and providing a current address, then the County shall be authorized and empowered to retain such funds for its own benefit.

Any holder of an Allowed Claim that does not assert in writing its entitlement to an Undeliverable Distribution or Unclaimed Distribution, by the applicable dates set forth in the foregoing paragraphs, no longer shall have any interest in or be entitled to such undelivered or unclaimed Distribution and shall be barred forever from receiving any Distributions under the Plan, or from asserting a Claim against the County or its property, and the right to such undeliverable or unclaimed Distribution will be discharged.

For the avoidance of doubt, the foregoing provisions regarding Undeliverable Distributions or Unclaimed Distributions will not apply to Distributions made on account of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D.

Nothing contained in the Plan shall require the County or its designated agents to attempt to locate any holder of an Allowed Claim.

(iii) Estimation of Certain Claims for Distribution Purposes.

The County may move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim. The estimated amount of any Claim so determined by the Bankruptcy Court shall constitute the maximum recovery that the holder thereof may recover after the ultimate liquidation of its Claim, irrespective of the actual amount that is ultimately Allowed.

(iv) Certain Distributions to be Made to the Indenture Trustees or the GO Paying Agents.

(A) Sewer Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Sewer Warrant Claims, Bank Warrant Claims, and Primary Standby Sewer Warrant Claims shall be made by the County in aggregate, lump-sum payments to the Sewer Warrant Trustee, and will in turn be distributed by the Sewer Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts (all of which will be deemed satisfied pursuant to Section 4.6(b)).

(B) GO Warrant Trustee.

All Distributions to be made to or for the benefit of individual holders of Series 2001-B GO Claims and Standby GO Warrant Claims shall be made by the County in aggregate, lump-sum payments to the GO Warrant Trustee, and will in turn be distributed by the GO Warrant Trustee in accordance with the Plan and the applicable operative agreements and without any deduction or reduction on account of any unpaid expenses, fees, indemnities, or other amounts.

(C) Other Indenture Trustees and Paying Agents.

With respect to all preexisting warrants that will remain outstanding under the Plan (i.e., the Board of Education Lease Warrants, the School Warrants, the Series 2003-A GO Warrants, and the Series 2004-A GO Warrants), the County will make post-Effective Date payments on account of such warrants to the applicable Indenture Trustee or GO Paying Agent, which Indenture Trustee or Paying Agent shall thereafter distribute such payments to holders of such warrants in accordance with the applicable operative agreements.

(v) Surrender of Instruments.

On the Effective Date, each holder of a certificated instrument, warrant, or note that (A) gives rise to any Sewer Debt Claims or (B) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. On the Effective Date, each holder of a global certificated instrument, warrant, or note that is held pursuant to the book-entry system operated by DTC and that (X) gives rise to any Sewer Debt Claims or (Y) arises from or in connection with the Series 2001-B GO Warrants, the GO Warrant Indenture, the Standby GO Warrant Purchase Agreement, or the GO Swap Agreement shall be deemed to have surrendered such instrument, warrant, or note to the appropriate indenture trustee, paying agent, or designee in accordance with the Rules and Operational Arrangements of DTC, and as a result of such deemed surrender, such instrument, warrant, or note shall be cancelled without the need for any action by such holder. Upon issuance and delivery of the New Sewer Warrants and completion of Distributions required under the Plan, the Sewer Warrant Trustee shall cancel all outstanding Sewer Warrants on the

records of DTC and destroy all associated original physical certificates, provided that such cancellation and destruction shall not modify, prejudice, or give rise to any defenses in favor of any applicable Sewer Warrant Insurer with respect to any Sewer Wrap Payment Rights. Upon issuance and delivery of the Replacement 2001-B GO Warrants, the GO Warrant Trustee shall cancel all outstanding Series 2001-B GO Warrants on the records of DTC and destroy all associated original physical certificates.

(f) **Full, Final, and Complete Settlement and Satisfaction.**

The Distributions and other treatment provided under the Plan for each holder of an Allowed Claim shall be in full, final, and complete settlement, satisfaction, discharge, and release of such holder's Claims against the County, against the County's property, or any Claims released under the Plan.

(g) **Limitations on Distributions Payable to Persons Liable to County.**

No Distribution will be made on account of any Claim of any Person against which the County has any affirmative Causes of Action (excluding all GO Released Claims and all Sewer Released Claims), and such Person's Claim shall be deemed to be a Disallowed Claim pursuant to the Plan, unless and until such time as all Causes of Action (excluding all GO Released Claims and all Sewer Released Claims) against that Person have been settled or resolved by a Final Order and such Person has paid the entire amount for which such Person is liable to the County.

(h) **Deemed Acceleration of the Sewer Warrants.**

For all purposes, including Distributions under the Plan, all series and subseries of the Sewer Warrants shall be deemed accelerated, as of the Effective Date, after payment of the Reinstated Sewer Warrant Principal Payments, the Reinstated Sewer Warrant Interest Payments, and the Sewer Warrant Insurers Outlay Amount, which acceleration shall occur immediately and before any other Distribution of consideration on the Effective Date; *provided, however*, that such acceleration will not be deemed to release any of the Sewer Wrap Policies with respect to Sewer Wrap Payment Rights except as a result of any Sewer Warrant Insurer's payment of the Outstanding Amount on the applicable series or subseries of non-commuted Sewer Warrants as set forth in the last sentence of this paragraph. With respect to any series or subseries of Sewer Warrants as to which the Commutation Election is not made or deemed not to have been made, and solely to the extent that any Sewer Warrant Insurer voluntarily elects (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to pay the Outstanding Amount on such series or subseries of Sewer Warrants, the Sewer Warrant Trustee shall be deemed as of the Effective Date or, if later, as of the date on which the applicable Sewer Warrant Insurer makes such election as to such series or subseries of Sewer Warrants, to have submitted a draw request under each applicable Sewer Wrap Policy in respect of the Outstanding Amount on such non-commuted series or subseries of Sewer Warrants, and each such Sewer Warrant Insurer shall be entitled (irrespective of the terms of the applicable Sewer Wrap Policy), in its sole and absolute discretion, to treat the Outstanding Amount as "Due for Payment" (as such term is defined in the applicable Sewer Wrap Policy and for purposes of such Sewer Wrap Policy) as of the Effective Date or as of such later date on which the applicable Sewer Warrant

Insurer elects to pay such Outstanding Amount. Payment, as provided in the applicable Sewer Wrap Policy, of the Outstanding Amount on any series or subseries of non-commuted Sewer Warrants shall be deemed to fully discharge the applicable Sewer Warrant Insurer's obligations under the applicable Sewer Wrap Policy and to fully release all Sewer Wrap Payment Rights with respect to such Sewer Warrants.

Section 4.16. Setoff, Recoupment, and Other Rights.

Notwithstanding anything to the contrary contained in the Plan and except as otherwise agreed by the County, the County may, but shall not be required to, setoff against or recoup from any Claim and the Distributions to be made in respect of such Claim (other than with respect to Claims previously Allowed or Allowed as set forth in the Plan) any Causes of Action of any nature whatsoever that the County may have against the claimant and that is not a GO Released Claim or a Sewer Released Claim. If the County elects to so setoff or recoup, the Allowed amount of the subject Claim shall be limited to the net amount after giving effect to the County's setoff or recoupment; *provided, however*, that the claimant will be provided with written notice of the proposed setoff or recoupment at least ten (10) Business Days prior thereto, and, if the claimant files a written objection to such proposed setoff or recoupment, the County shall not proceed with the setoff or recoupment absent the withdrawal of the claimant's objection or the entry of an order overruling the objection, but the County may in all events withhold any Distributions on account of such Claim pending resolution of the claimant's objection; *provided further, however*, that neither the failure to setoff against or recoup from any Claim nor the allowance of any Claim shall constitute a waiver or release by the County of any Causes of Action the County may have against the subject claimant.

Section 4.17. Motion Under Bankruptcy Code Section 364.

The Plan constitutes a motion by the County seeking the Bankruptcy Court's approval of the incurrence of all indebtedness, extensions of credit, and grants of liens necessary to implement the Plan pursuant to Bankruptcy Code section 364, including the offering of New Sewer Warrants under the Plan, the incurrence of any underwriting or other transaction fees to be paid at closing, the provision of the New Sewer Wrap Policy, and the delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements. Confirmation of the Plan shall constitute a conclusive determination that the protections of Bankruptcy Code section 364(e) will apply to all such indebtedness, extensions of credit, and grants of liens to the maximum extent permitted by law. Confirmation of the Plan shall also constitute a conclusive determination that all such indebtedness, extensions of credit, and grants of liens were extended and incurred in good faith and in compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law. As such, upon the occurrence of the Effective Date, the participants in the offering of New Sewer Warrants under the Plan, the Persons receiving any underwriting or other transaction fees to be paid at closing, and those Persons providing the New Sewer Wrap Policy and the Reserve Fund LOC will be, in each case, entitled to the full protections and rights afforded by Bankruptcy Code section 364(e) with respect to such transactions.

Section 4.18. The Effective Date.

The Plan shall not become binding unless and until the Effective Date occurs. The Effective Date will be a Business Day selected by the County, after consultation with the Sewer Plan Support Parties, that is on or after the date on which all of the following conditions have been satisfied as set forth below, or waived as set forth in Section 4.18(b). Unless waived pursuant to Section 4.18(b), the Effective Date of the Plan shall not occur until each of the following conditions precedent has occurred or will occur simultaneously with the Effective Date of the Plan.

(a) Conditions to the Effective Date.

(i) The Confirmation Order shall (A) be entered and in full force and effect in form and substance acceptable to (1) the County, (2) the Sewer Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable Sewer Plan Support Party, and (3) the GO Plan Support Parties to the extent the relevant provisions of the Confirmation Order (or provisions excluded from the proposed Confirmation Order) would affect the rights of the applicable GO Plan Support Party; and (B) not be subject to any stay;

(ii) The County shall have entered into the Closing Agreement; *provided, however*, that if any settlement payment is required to be made to the Internal Revenue Service, such payment shall be payable exclusively from Accumulated Sewer Revenues or gross Sewer System revenues received by the County; *provided further, however*, that any such settlement payment shall not reduce the aggregate consideration to be paid to holders of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, or any other payments described herein to be paid to the Sewer Plan Support Parties;

(iii) The aggregate Tail Risk and the aggregate Covered Tail Risk shall each not exceed \$25.0 million;

(iv) No Sewer Warrant Insurer will be subject to any Tail Risk on or after the Effective Date in an amount in excess of its Covered Tail Risk;

(v) The issuance of the New Sewer Warrants has closed (or will close simultaneously with the occurrence of the Effective Date), and the aggregate Refinancing Proceeds and other Cash consideration required to make the payments to (A) holders of Allowed Class 1-A Claims and Allowed Class 1-B Claims shall be available and shall have been paid under the Plan to the Sewer Warrant Trustee for Distribution in accordance with the Plan on the Effective Date; and (B) holders of Allowed Class 1-C Claims (including the Sewer Warrant Insurers Outlay Amount) shall be available and shall have been paid under the Plan to the applicable Sewer Warrant Insurer in accordance with the Plan and the Sewer Warrant Insurers Agreements on the Effective Date;

(vi) The Sewer Plan Support Agreements and the Sewer Warrant Insurers Agreements shall be in full force and effect and any and all payments (A) required under (the Sewer Warrant Insurers Agreements shall have been made to the applicable Sewer Warrant Insurer (or are paid

simultaneously with the other payments to the Sewer Warrant Insurers required under the Plan); and (B) on account of Covered Tail Risk shall have been paid in full in Cash;

(vii) All of the settlements, releases, and injunctions contemplated by the Plan (including the settlement and release under the Plan of the Causes of Action asserted in the Bennett Action and the Wilson Action) shall have been approved pursuant to the Confirmation Order, and any pending litigation (including any appeals) commenced by the County or any of the Sewer Plan Support Parties against any of the Sewer Plan Support Parties shall have been (or simultaneously with the occurrence of the Effective Date will be) dismissed with prejudice;

(viii) The Effective Date shall have occurred on or before December 31, 2013;

(ix) The Plan (as confirmed by the Confirmation Order), the Plan Supplement, and all other documents, instruments, agreements, writings, and undertakings required under the Plan (A) shall be in form and substance satisfactory to the County (and, to the extent required by any applicable Plan Support Agreement or the Plan, approved by the applicable Plan Support Party or Parties); (B) shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and (C) and, to the extent required by any applicable Plan Support Agreement or the Plan, shall be (or simultaneously with the occurrence of the Effective Date will be) effective;

(x) The Supporting Sewer Warrantholder Directed Distribution shall have been approved pursuant to the Confirmation Order and paid to the Supporting Sewer Warranholders;

(xi) Assured shall have issued the New Sewer Wrap Policy and JPMorgan Chase Bank, N.A. shall have delivered the Reserve Fund LOC;

(xii) All Excess Refinancing Proceeds, if any, shall have been paid to the Persons entitled to such Excess Refinancing Proceeds in accordance with Section 4.19 on the Effective Date; and

(xiii) The County, the Sewer Liquidity Banks, the Sewer Warrant Insurers, the Supporting Sewer Warranholders, and the JPMorgan Parties shall have each acknowledged in writing (which writing may take the form of an email exchange among their respective counsel) that all conditions to the Effective Date have been satisfied or waived (or will be satisfied or waived simultaneously with the occurrence of the Effective Date).

(b) Waiver of Conditions.

The requirement that the conditions to the occurrence of the Effective Date be satisfied may be waived in whole or in part by mutual written agreement by (i) the County and each Sewer Plan Support Party (or, in the case of the Supporting Sewer Warranholders, the "Majority Eligible Warranholders" as defined in the Supporting Sewer Warrantholder Plan Support Agreement if such waiver may be effected by the Majority Eligible Warranholders under the Supporting Sewer Warrantholder Plan Support Agreement) that is affected by the subject condition; or (ii) the County and each GO Plan Support Party that is affected by the subject condition, solely with respect to conditions (i), (vii), and (ix). Any such waiver may be effected

at any time, without advance notice, leave, or order of the Bankruptcy Court and without any formal action, other than the filing of a notice of such waiver with the Bankruptcy Court.

(c) **Effect of Failure of Conditions.**

In the event that the conditions to the occurrence of the Effective Date have not been timely satisfied or waived pursuant to Section 4.18(b), and upon notification Filed by the County with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the County and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee will be restored to their rights as if the Plan, the Plan Support Agreements, any Plan Term Sheets referenced therein, and the Sewer Warrant Insurers Agreements were never entered into, and all claims and defenses of the County, the Plan Support Parties, the Sewer Warrant Trustee, and the School Warrant Trustee shall be fully reserved; (v) any and all Ballots with respect to the Plan delivered by each of the Plan Support Parties shall be immediately withdrawn, and such Ballots shall be null and void for all purposes and shall not be considered or otherwise used in any manner; and (vi) all of the County's obligations with respect to Claims shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the County or any other Person or to prejudice in any manner the rights, claims, or defenses of the County or any other Person in any further proceedings involving the County. Nothing in the foregoing sentence shall alter or limit any Person's rights under any Plan Support Agreement.

(d) **Notice of the Effective Date.**

Promptly after the occurrence of the Effective Date, the County or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Damage Claims; (iv) the deadline established under the Plan for the filing of Administrative Claims; and (v) such other matters as the County finds appropriate.

Section 4.19. Recoupment of Excess November 2013 Sewer Creditor Concessions.

On the Effective Date, all Excess Refinancing Proceeds shall be applied in the following order for purposes of making Distributions to the specified parties:

- (a) an amount equal to 100% of the Excess Refinancing Proceeds – First Tranche shall be paid to the JPMorgan Parties;
- (b) (i) an amount equal to 50% of the Excess Refinancing Proceeds – Second Tranche shall be paid to the JPMorgan Parties; (ii) an amount equal to 11.666% of the Excess Refinancing Proceeds – Second Tranche shall be paid to FGIC; (iii) an amount equal to 11.457% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Assured; (iv) an amount equal to 10.207% of the Excess Refinancing Proceeds – Second Tranche shall be paid to Syncora; (v) an amount equal to 14.42% of the Excess Refinancing Proceeds – Second Tranche

shall be paid Pro Rata to the Supporting Sewer Warrantholders; and (vi) an amount equal to 2.25% of the Excess Refinancing Proceeds – Second Tranche shall be paid Pro Rata to the Sewer Liquidity Banks; and

(c) an amount equal to 100% of the Excess Refinancing Proceeds – Third Tranche shall be paid to the JPMorgan Parties.

ARTICLE V

OTHER PLAN PROVISIONS

Section 5.1. Exculpation of GO Released Parties, Sewer Released Parties, and the School Warrant Trustee Regarding the Bankruptcy and Plan Process.

To the maximum extent permitted by law, neither the GO Released Parties, nor the Sewer Released Parties, nor the School Warrant Trustee, nor any of their respective Related Parties shall have or incur any liability to any Person, including any holders of GO Warrants, Sewer Warrants, or School Warrants, for any act or omission occurring on or before the Effective Date in connection with, related to, or arising out of the Case, the Plan Support Agreements, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan or any compromises or settlements contained herein, the Disclosure Statement, or any contract, instrument, release, or other agreement or document provided or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however*, that the foregoing provisions shall not affect the liability of any Person that otherwise would result from any such act or omission occurring on or prior to the Effective Date to the extent that such act or omission is determined in a Final Order to have constituted willful misconduct or fraud. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court conclusively will be deemed not to constitute willful misconduct or fraud unless the approval of the Bankruptcy Court was obtained by fraud or misrepresentation, and in all respects, the GO Released Parties, the Sewer Released Parties, the School Warrant Trustee, and their respective Related Parties shall be entitled to rely on the advice of their respective counsel with respect to their duties and responsibilities in connection with the Case and the Plan.

Section 5.2. Revocation of the Plan; No Admissions.

Subject to each of the Sewer Plan Support Agreements, the County reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. Notwithstanding anything to the contrary in the Plan, if the Plan is not confirmed or if the Effective Date does not occur, the Plan (and the Confirmation Order, if entered) will be null and void and inadmissible as evidence in any proceeding, and nothing contained in the Plan, the Disclosure Statement, or the Confirmation Order (if entered) will (a) be an admission by the County, any of the Plan Support Parties, the Sewer Warrant Trustee, or the School Warrant Trustee with respect to any matter set forth therein, including liability on any Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgment, or release of any Claims against the County or its property, or of any Causes of Action; or (c) prejudice in any manner the rights of any Person in any further proceedings. Nothing in this Section 5.2 shall limit the rights or remedies available to any Person under any applicable Plan Support Agreement. In addition, nothing in the Plan,

the comprehensive compromise and settlement described in Section 4.8(a), or any other compromises and settlements implemented under the Plan shall be deemed to be an admission or evidence of wrongdoing or, except with respect to obligations created under or pursuant to the Plan, liability on the part of any GO Released Party, any Sewer Released Party, or any of their respective Related Parties.

Section 5.3. Modification of the Plan.

Subject to the restrictions set forth in Bankruptcy Code section 942 and in each of the Sewer Plan Support Agreements, the County reserves the right to alter, amend, or modify the Plan at any time before the Confirmation Date.

Section 5.4. Severability of Plan Provisions.

If, before the Confirmation Date, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. All rights of each Plan Support Party under the applicable Plan Support Agreement are fully reserved if any such holding, alteration, or interpretation means that the Plan is no longer an "Acceptable Plan" for purposes of the applicable Plan Support Agreement. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section 5.4, is valid and enforceable under its terms.

Section 5.5. Inconsistencies.

To the extent of any inconsistencies between the Plan, on the one hand, and the Disclosure Statement, any Plan Support Agreement, or any Ballot, on the other hand, the terms and provisions contained in the Plan shall govern.

Section 5.6. Governing Law.

Unless a rule of law or procedure is supplied by (a) federal law (including the Bankruptcy Code and the Bankruptcy Rules), or (b) an express choice of law provision in any agreement, contract, instrument, or document provided in, or executed in connection with, the Plan, the rights and obligations arising under the Plan and any agreements, contracts, instruments, and documents executed in connection with the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama without giving effect to the principles of conflict of laws thereof.

Section 5.7. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

Section 5.8. Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Plan Procedures Order, the Bankruptcy Code, and the Bankruptcy Rules, and, in each case, that the County, all the Plan Support Parties, the Sewer Warrant Trustee, the School Warrant Trustee, the FGIC Rehabilitator, and all their respective Related Parties have acted in good faith in connection therewith.

Section 5.9. Effectuating Documents and Further Transactions.

Each of the officials and employees of the County is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and provisions of the Plan.

Section 5.10. Validation of the New Sewer Warrants.

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 substantially as follows:

The New Sewer Warrants were authorized and will be issued as of the Effective Date as a means of implementing the Plan and providing for the satisfaction of Sewer Debt Claims in accordance with the Bankruptcy Code.

The County has the authority under the constitution and laws of the State of Alabama and the Plan to adopt the Rate Resolution, to execute, deliver and perform its obligations under the New Sewer Warrant Indenture, and to issue, execute, and deliver the New Sewer Warrants pursuant to the Plan.

All actions and things required under the provisions of applicable law to be had and done in this proceeding preliminary to the entry of this Confirmation Order have been had and done in the manner provided by law. This Confirmation Order will be forever conclusive against, among others, the County and all taxpayers and citizens of the County.

The indebtedness evidenced and ordered paid by the New Sewer Warrants shall be a limited obligation of the County, payable solely from the System Revenues derived from the operation of the Sewer System. The general faith and credit of

the County shall not be pledged to the payment of the principal of or the interest or premium (if any) on the New Sewer Warrants, and the New Sewer Warrants shall not be general obligations of the County.

The New Sewer Warrants shall not constitute a debt or indebtedness of the County under the provisions of Section 224 of the Constitution of the State of Alabama, as amended, because the principal of and interest on the New Sewer Warrants will be payable solely from the System Revenues derived from the operation of the Sewer System, and will not be a charge on the general credit of the County.

The Bankruptcy Court does hereby validate and confirm all proceedings had and taken in connection with the following (i) the Plan; (ii) all covenants, agreements, provisions, and obligations of the County set forth in the Plan; (iii) the Rate Resolution; (iv) all covenants, agreements, provisions, and obligations of the County set forth in the New Sewer Warrant Indenture; and (v) the New Sewer Warrants and the provisions made to pay and secure payment of such obligations. When the New Sewer Warrants have been executed and delivered in accordance with the Plan, then the New Sewer Warrants and the pledges, covenants, agreements, and obligations set forth therein and in the New Sewer Warrant Indenture shall stand validated and confirmed.

At the time of the delivery of the New Sewer Warrants, the County is hereby directed to cause to be stamped or written on each of the New Sewer Warrants a legend substantially as follows:

“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.”

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 Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, 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) 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.

Section 5.11. Validation of the Approved Rate Structure.

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. Validation of Allowance of Sewer Debt Claims.

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.

Section 5.13. Notices.

Any notices to or requests of the County by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when actually received by the following parties:

Jefferson County, Alabama
Attn: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attn: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Re: Jefferson County

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
Attn: Kenneth N. Klee, Esq.
1999 Avenue of the Stars, 39th Floor
Los Angeles, California 90067
Re: Jefferson County

Section 5.14. Sewer Warrant Trustee Residual Fee Estimate.

The County will have the right to challenge the amount of the Sewer Warrant Trustee Residual Fee Estimate by filing an action in the Bankruptcy Court within five (5) calendar days after receipt of the Sewer Warrant Trustee Residual Fee Estimate, provided that prior to filing such an action, the County will make good faith efforts to resolve any dispute with the Sewer Warrant Trustee. Any challenge by the County to the amount of the Sewer Warrant Trustee Residual Fee Estimate will be resolved by the Bankruptcy Court on an expedited basis before the Effective Date.

ARTICLE VI
EFFECTS OF CONFIRMATION OF THE PLAN

Section 6.1. Binding Effect.

Upon the Effective Date and pursuant to Bankruptcy Code section 944(a), the Plan, the Distributions and transactions contemplated by the Plan, and the compromises and settlements

contained in the Plan 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 Sewer System, all parties in interest, and all other Persons. Confirmation of the Plan binds each holder of a Claim to all the terms and conditions of the Plan, 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 Plan, and whether or not such holder has accepted the Plan. The County reserves all rights to seek appropriate relief against any Person under Bankruptcy Code section 1142(b) to the extent necessary for the consummation of the Plan.

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; *provided, however*, that the foregoing provision shall not include or affect the liability of any Related Party of the County (x) in any action brought by the Securities and Exchange Commission or (y) on account of any violation of the securities laws. 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.

Nothing in the Plan discharges, releases, precludes, or enjoins: (i) any environmental liability to any governmental unit that is not a Claim as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of any governmental unit arising on or after the Effective Date; or (iii) any environmental liability to any governmental unit on the part of any entity as the owner or operator of property after the Effective Date.

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) GO Releases and Injunctions.

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

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

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

(c) 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 and all GO 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, the GO 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.

Section 6.4. Retention of Jurisdiction.

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to:

- (a) Except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim, in whole or in part;
- (b) Resolve any motions pending on the Effective Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the County is a party or with respect to which the County may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (c) Resolve any and all other applications, motions, adversary proceedings, and other contested or litigated matters involving the County that may be pending on the Effective Date or that may be instituted thereafter in accordance with the terms of the Plan;
- (d) Ensure that all Distributions are accomplished pursuant to the provisions of the Plan;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the Plan and all contracts, instruments, releases, and other agreements or documents entered into in connection with or related to the Plan;
- (f) Resolve any and all controversies, suits, or issues that may arise in connection with the implementation, consummation, interpretation, or enforcement of the Plan or the Confirmation Order, or any Person's rights, obligations, or interests under the Plan or the Confirmation Order;

(g) Remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, the Plan, the Disclosure Statement or any contract, instrument, release, or other agreement or document created in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

(h) Adjudicate any Preserved Claims;

(i) Implement and enforce the Commutation Election, and implement and enforce all settlements, releases, exculpations, and injunctions associated with the Plan;

(j) Issue injunctions, enter and implement other orders, or take any other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan or the Confirmation Order;

(k) Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason modified, reversed, revoked, stayed, or vacated;

(l) 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 – including implementation or enforcement of the Approved Rate Structure, issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, provision of the New Sewer Wrap Policy, and delivery of the Reserve Fund LOC and the other Reserve Fund LOC Agreements – and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication;

(m) Hear and determine any actions brought against the County, the GO Released Parties, the Sewer Released Parties, or any of their respective Related Parties in connection with all compromises and settlements, exculpations and releases, the Plan, or the Case;

(n) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan; and

(o) Enter an order closing the Case pursuant to Bankruptcy Code section 945(b).

If the Bankruptcy Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter, then this Section 6.4 shall have no effect upon and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

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ARTICLE VII
RECOMMENDATION AND CONCLUSION

The County believes that confirmation and implementation of the Plan are the best alternative under the circumstances and urges all its Impaired Creditors entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

DATED AS OF: November 6, 2013

JEFFERSON COUNTY, ALABAMA

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

Filed by:

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

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, jrbender@babbc.com,
jhenderson@babbc.com

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP

Kenneth N. Klee (*pro hac vice*)

Lee R. Bogdanoff (*pro hac vice*)

David M. Stern (*pro hac vice*)

Robert J. Pfister (*pro hac vice*)

Whitman L. Holt (*pro hac vice*)

1999 Avenue of the Stars, Thirty-Ninth Floor

Los Angeles, California 90067

Telephone: (310) 407-4000

Facsimile: (310) 407-9090

Email: kklee@ktbslaw.com, lbogdanoff@ktbslaw.com,
dstern@ktbslaw.com, rpfister@ktbslaw.com,
wholt@ktbslaw.com

Counsel for Jefferson County, Alabama

Exhibit A

Preserved Claims

1. All Causes of Action and Avoidance Actions against British Petroleum arising out of the fire, explosions, and oil leak that occurred on the Deepwater Horizon, whether or not asserted in connection with the consolidated cases collectively styled *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, MDL No. 2179, pending in the United States District Court for the Eastern District of Louisiana.
2. All Causes of Action and Avoidance Actions against Bank of America, Bank of Tokyo - Mitsubishi UFJ, Barclays Bank plc, Citibank NA, Credit Suisse, Deutsche Bank AG, HSBC, Lloyds TSB Bank plc, Rabobank, Royal Bank of Canada, The Norinchukin Bank, The Royal Bank of Scotland Group, UBS AG, BNP Paribas, Credit Agricole Corporate Investment Bank, Sumitomo Mitsui Banking Corporation, and Société Générale regarding manipulation of the London Interbank Offered Rate and effect on the County's variable-rate obligations, including obligations under interest rate swap agreements.
3. All Causes of Action and Avoidance Actions against Jack Swann; Harry Chandler; Ronald Wilson; Clarence Barber; Larry Creel; Sohan Singh; Ed Key; U.S. Infrastructure; Civil Engineering Design Services; Pat Dougherty; Dougherty Engineering; Bobby Rast; Danny Rast; Rast Construction; William Dawson; Dawson Engineering; Grady Pugh, Jr; Roland Pugh; Roland Pugh Construction; and Eddie Yessick arising out of these parties' conduct in connection with bribery, corruption, or the construction of the Sewer System. The County's Causes of Action include claims for unpaid fines or restitution.
4. All Causes of Action and Avoidance Actions against Wachovia Bank, N.A. ("Wachovia") and Wells Fargo Bank, N.A. ("Wells Fargo") arising from Wachovia's violation of state and federal antitrust laws in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between Wachovia, Wells Fargo, and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
5. All Causes of Action and Avoidance Actions against UBS AG arising from violations of state and federal antitrust and other laws by UBS AG and others in connection with the marketing, sale, and placement of municipal bond derivatives, whether or not included in the settlement between UBS AG and the Attorneys General of twenty six states and whether or not asserted in the case styled *In re Municipal Derivatives Antitrust Litigation* (or other related actions) filed in the United States District Court for the Southern District of New York.
6. All Causes of Action and Avoidance Actions against Jefferson Clinic, P.C. related to services provided to Cooper Green Mercy Hospital and payments made to Jefferson Clinic P.C. with respect to such services.
7. All Causes of Action and Avoidance Actions against any contractors, vendors, and former employees related to services provided to Cooper Green Mercy Hospital, including claims for refunds of payments made pursuant to void contracts.

8. All Causes of Action and Avoidance Actions against Health Assurance, LLC for refunds of premiums paid on or behalf of the County.
9. All Causes of Action and Avoidance Actions against Greater McAdory Athletic Association related to advances from the County earmarked for specific use.
10. All Causes of Action and Avoidance Actions against Hendon Engineering in connection with design and construction defects at the Five Mile Waste Water Treatment Plant.
11. All Causes of Action and Avoidance Actions for payment of any taxes, including sales taxes, use taxes, ad valorem taxes, occupational taxes, privilege taxes, or any other kind of tax; whether or not such taxes are currently the subject of any litigation.
12. All Causes of Action and Avoidance Actions related to services provided by the County to third parties, including municipalities and related municipal boards, authorities and other entities, sewer customers, and hospital and clinic patients.
13. All Causes of Action and Avoidance Actions relating to reimbursements from the State of Alabama and the federal government, including the Federal Emergency Management Agency, for County expenditures following the tornadoes of April 2011.
14. All Causes of Action and Avoidance Actions related to deposits, bonds, or other forms of security posted in connection with construction projects or other contracts as to which the counterparty failed to timely or satisfactorily perform.
15. All Causes of Action and Avoidance Actions related to subrogation rights against third parties arising from property and worker's compensation claims.
16. All Causes of Action and Avoidance Actions against any holder of Sewer Warrants that is not a Sewer Released Party or a Related Party of such Sewer Released Party.
17. All Causes of Action, Avoidance Actions, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to any Creditor or any Person that are not otherwise released under or pursuant to the Plan.

Exhibit B

Schedule of Assumed Agreements

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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 PO Box 1646	Columbiana	AL	35051	7/19/2011	Contract for Grounds Keeping Services at the Village Creek WWTP	\$8,500.00
Enersolv Corporation	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
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

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	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)	\$42,609.68
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

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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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 Attn: Contracts Manager	Birmingham	AL	35203	6/23/1992	Revocable License Agreement	\$0.00
American Tower Management, LLC	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 Attn: Manager of Operations	Canonsburg	PA	15317	10/25/2005	Government Entity Tower License Agreement	\$0.00
Southern Communications Services, Inc.	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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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
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

Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

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
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	12/29/2004	Disclosure Dissemination Agent Agreement	\$0.00
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	2/2/2005	Disclosure Dissemination Agent Agreement	\$0.00
Holders 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
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Name of Creditor	Creditor's Mailing Address	City	State	Zip Code	Contract Date	Contract Name	Cure Payment
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

Exhibit C

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.

[Insert Charge Ordinance as Appendix]

Exhibit D

GO Acknowledgement

(i) The indebtedness evidenced and ordered to be paid on account of the GO Warrants and the GO Insurance Policies constitutes, and with respect to the Replacement 2001-B GO Warrants will constitute, a general obligation of the County in support of which the County irrevocably pledged its full faith and credit. This pledge is a commitment to pay and a commitment of the County's revenue generating powers to produce the funds necessary to pay the principal of and interest on the GO Warrants, and the Replacement 2001-B GO Warrants once issued, as they become due and to reimburse National on account of the GO Insurance Policies.

(ii) Revenues legally available to the County for payment of debt service on the GO Warrants and to reimburse National on account of the GO Insurance Policies include, and with respect to the Replacement 2001-B GO Warrants will include, ad valorem taxes, sales and business license taxes, and other general fund revenues.

(iii) Pursuant to Section 215 of the Alabama Constitution, as amended by Amendment No. 208, and Sections 11-3-11(a)(2), 11-14-11, and 11-14-16 of the Alabama Code (collectively, "Section 215"), the County may levy and collect a 5.1 mill special ad valorem tax (the "Special Tax"), not to exceed one-fourth of one percent per annum, for the purpose of paying any debt or liability against the County due and payable during the year and created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads, and any remaining proceeds of the Special Tax in excess of amounts payable on bonds, warrants, or other securities issued by the County for such limited purposes may be spent for general county purposes. Section 215 provides that the County may use proceeds of the Special Tax for general county purposes only after all amounts due and payable in any given fiscal year on bonds, warrants, or other securities issued by the County for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads (collectively, "Special Tax Obligations") are paid in full, and such proceeds shall be applied first to Special Tax Obligations.

(iv) The Special Tax is separate and distinct from the County's 5.6 mill general ad valorem tax, the proceeds of which are used for general county purposes and to support the operation of the County's basic governmental functions, including management, personnel, accounting, taxation, purchasing, data processing, law enforcement, the judiciary, and land utilization.

(v) The GO Warrants and the obligations to reimburse National on account of the GO Insurance Policies constitute, and the Replacement 2001-B GO Warrants will constitute, a debt or liability against the County created for the erection, repairing, furnishing, or maintenance of public buildings, bridges, or roads within the scope and meaning of Section 215. As such, all amounts payable on account of or in connection with the GO Warrants, and the Replacement 2001-B GO Warrants once issued, and to reimburse National on account of the GO Insurance Policies in any given fiscal year must be paid by the County from the proceeds of the Special Tax prior to the County using any such proceeds in such fiscal year for general county purposes, including but not limited to current governmental expenses or any expenditures related to the County's sewer system.

(vi) By virtue of the application of Section 215 with respect to the proceeds of the Special Tax, any and all claims arising from or in connection with the GO Warrants, the GO Warrant Indenture, the GO Insurance Policies, and the Standby GO Warrant Purchase Agreement are properly classified separately under the Plan and properly treated in the fashion provided by the Plan.

Annex 2

Further Amended Financing Plan

Jefferson County, Alabama			
Sewer Revenue Restructuring			
Further Amended Financing Plan			
Sources and Uses			
Sources:			
Warrant Proceeds	Senior	Subordinate	
Principal	Lien	Lien	Total
Current Interest Warrants	\$375,000,000.00	\$750,155,000.00	\$1,125,155,000
Capital Appreciation Warrants	\$55,693,095.85	\$71,935,073.95	\$127,628,170
Convertible Capital Appreciation Warrants	\$69,308,272.15	\$416,317,273.00	\$485,625,545
Total	\$500,001,368.00	\$1,238,407,346.95	\$1,738,408,715
Aggregate principal does not and will not exceed \$1.977 billion amount contained in July 23 Amended Financing Plan.			
Original Issue Premium/Discount	\$3,776,250.00	(\$3,339,364.50)	\$436,885.50
Total Warrant Proceeds	\$503,777,618	\$1,235,067,982	\$1,738,845,600
Other Sources			
Other Sources of Funds			-
Cash from System Available to Closing			\$2,700,979
Total Sources	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Uses:			
Proceeds to Creditors	\$472,872,558.42	\$1,224,940,167.30	\$1,700,513,704.88
Warrant Insurance Premium	\$26,816,000.00	-	\$26,816,000.00
Debt Service Reserve Fund Deposit	-	-	-
Underwriter's Discount	\$3,370,009.22	\$8,346,865.52	\$11,716,874.74
Costs of Issuance	\$719,050.36	\$1,780,949.64	\$2,500,000.00
Additional Proceeds	-	-	-
Total Uses	\$503,777,618.00	\$1,235,067,982.45	\$1,741,546,579.61
Summary Statistics			
Rate Increases:	Yr. One \$5 & 3.49% NR; 7.89% Yrs. 2-5, 3.49% until excess Cash Flow		
	Initial-year increase represents \$5 increase in base charge (residential and nonresidential) and 3.49% increase in volumetric non-residential charges.		
Future Value of Capital Appreciation Warrants			\$489,545,000
Future Value of Convertible Capital Appreciation Warrants			\$987,255,000
Future Value of All Capital Appreciating Warrants			\$1,476,800,000
Anticipated CAPEX Shortfall			\$1,200,006,438
Dated Date			12/3/13
Delivery Date			12/3/13

This Further Amended Financing Plan further amends the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013.

The rates set forth herein are solely for purposes of showing anticipated revenues. It is possible for the County to achieve equivalent revenues through means other than across the board rate increases, such as by tiered rates or minimum charges.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Proceeds to Creditors

Originally Agreed Upon Amount for Creditors*	1,847,000,000.00
Less: Warrant Proceeds & Funds on Hand	1,700,513,704.88
Less: Additional JPMorgan Contribution (1)	100,000,000.00
Less: Sewer Liquidity Bank Contribution	2,764,296.75
Less: Supporting Sewer Warrantholders Contribution	4,000,000.00
Less: Elimination of Put Consideration	13,500,000.00
Less: Additional Sewer Warrant Insurers Contribution (2)	26,250,000.00
Residual Amount Required for Creditors	(28,001.63)

*Amount based on negotiated and assumed distributions to sewer creditors: \$22 million of non-commutation basket, \$165 million to monolines, 65 cent non-commutation distribution, 80 cent commutation distribution (with waivers), and JPM reallocations. Amount does not include distributions to pay, or reimburse insurers for their payment of, preclosing interest and principal scheduled to come due on or after February 1, 2013. In addition, amount is net of Tail Risk considerations.

(1) Contributions in the form of reduced distributions to JPMorgan are in addition to net present value estimated to be approximately \$140,000,000 based on current market conditions, which value will be provided as a result of JPMorgan issuing up to \$180,000,000 face amount (i.e., 10% of the par amount of the new warrants) 40-year letter(s) of credit for deposit to one or more reserve funds under the New Sewer Warrant Indenture. Actual value of the letter(s) of credit will be determined at the time of pricing of the new warrants.

(2) Contributions in the form of reduced distributions to FGIC and Syncora are in addition to net present value estimated to be approximately \$13,750,000 based on current market conditions, which value will be provided as a result of Assured issuing a wrap policy insuring the \$500 million of Senior Lien warrants. Actual value of the wrap insurance policy will be determined at the time of pricing of the new warrants.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Consolidated Cash Flows (\$000's)

Fiscal Year	Net Revenues			Operating Expenses						CAPEX					Free Cash Flow					
	Oct-1 Yr.	Sewer Revenue	Misc. Revs to Debt Service	Total Revs to Debt Service	Net Debt Service	Operating Expenses	Misc. Revs to OpEx	Net Operating Expenses	Net Coverage	Total Revs. Avail. For CAPEX	Target CAPEX	Applied Constr. Fund Monies	Cash Flow Funded CAPEX	Total CAPEX Covered	CAPEX ShortFall	FCF Before Fund Deposit	OpEx Fund Deposit	Net Free Cash Flow	Min OpEx Fund Balance	OpEx Fund Balance
Total		14,270,401	489,077	14,759,477	6,676,847	4,760,631	368,452	4,392,179		3,690,451	5,014,548	159,347	3,655,194	3,814,542	1,199,998	35,257	35,265	2,702		
2013	-																	2,702	16,795	16,795
2014	1	160,120	8,097	168,217	59,847	67,179	6,100	61,079	1.79x	47,292	47,292	-	47,292	47,292	-	-	-	-	16,173	16,795
2015	2	170,143	8,259	178,402	74,495	64,691	6,222	58,469	1.61x	45,438	64,581	20,274	44,307	64,581	-	1,132	1,134	-	16,593	17,929
2016	3	179,496	8,424	187,920	79,434	66,373	6,346	60,027	1.61x	48,459	66,678	19,355	47,323	66,678	-	1,137	1,134	-	17,000	19,063
2017	4	189,336	8,593	197,928	84,726	67,999	6,473	61,526	1.61x	51,676	61,597	11,051	50,546	61,597	-	1,130	1,134	-	17,050	20,196
2018	5	201,936	8,764	210,701	84,450	68,201	6,603	61,599	1.77x	64,652	72,820	9,306	63,515	72,820	-	1,137	1,134	-	17,553	21,330
2019	6	207,963	8,940	216,903	70,495	70,211	6,735	63,476	2.18x	82,931	151,865	70,067	81,798	151,865	-	1,133	1,134	-	17,892	22,464
2020	7	214,117	9,119	223,236	70,495	71,566	6,870	64,697	2.25x	88,044	116,205	29,295	86,910	116,205	-	1,133	1,134	-	19,035	23,598
2021	8	220,474	9,301	229,775	79,200	76,139	7,007	69,132	2.03x	81,442	80,311	-	80,311	80,311	-	1,131	1,134	-	19,598	24,732
2022	9	226,993	9,487	236,480	81,002	78,391	7,147	71,244	2.04x	84,235	83,100	-	83,100	83,100	-	1,134	1,134	-	20,199	25,866
2023	10	234,609	9,677	244,286	84,252	80,796	7,290	73,506	2.03x	86,527	85,397	-	85,397	85,397	-	1,130	1,134	-	20,827	27,000
2024	11	242,526	9,870	252,396	141,219	83,309	7,436	75,873	1.25x	35,304	87,959	-	35,304	35,304	52,655	-	-	-	21,476	27,000
2025	12	250,647	10,068	260,714	145,919	85,902	7,585	78,317	1.25x	36,479	90,598	-	36,479	36,479	54,120	-	-	-	22,144	27,000
2026	13	259,094	10,269	269,363	150,819	88,577	7,736	80,841	1.25x	37,703	93,316	-	37,703	37,703	55,613	-	-	-	22,834	27,000
2027	14	267,844	10,474	278,319	155,894	91,337	7,891	83,446	1.25x	38,979	96,116	-	38,979	38,979	57,137	-	-	-	23,546	27,000
2028	15	276,913	10,684	287,597	161,169	94,186	8,049	86,137	1.25x	40,292	98,999	-	40,292	40,292	58,707	-	-	-	24,281	27,000
2029	16	286,213	10,898	297,111	166,559	97,124	8,210	88,915	1.25x	41,638	101,969	-	41,638	41,638	60,331	-	-	-	25,039	27,000
2030	17	295,851	11,115	306,966	172,149	100,157	8,374	91,783	1.25x	43,035	105,028	-	43,035	43,035	61,993	-	-	-	25,821	27,000
2031	18	305,829	11,338	317,166	177,934	103,286	8,541	94,744	1.25x	44,489	108,179	-	44,489	44,489	63,690	-	-	-	26,629	27,000
2032	19	316,136	11,565	327,700	183,919	106,515	8,712	97,802	1.25x	45,979	111,424	-	45,518	45,518	65,907	462	462	-	27,462	27,462
2033	20	326,778	11,796	338,573	190,094	109,846	8,887	100,960	1.25x	47,520	114,767	-	46,660	46,660	68,107	860	860	-	28,321	28,321
2034	21	337,783	12,032	349,815	196,474	113,285	9,064	104,220	1.25x	49,121	118,210	-	48,234	48,234	69,976	887	887	-	29,208	29,208
2035	22	349,154	12,272	361,427	203,074	116,833	9,246	107,587	1.25x	50,766	121,756	-	49,851	49,851	71,906	915	915	-	30,123	30,123
2036	23	360,955	12,518	373,473	209,929	120,494	9,430	111,063	1.25x	52,481	125,409	-	51,537	51,537	73,872	945	945	-	31,068	31,068
2037	24	373,154	12,768	385,922	217,015	124,272	9,619	114,653	1.25x	54,254	129,171	-	53,279	53,279	75,892	975	975	-	32,043	32,043
2038	25	385,806	13,024	398,830	224,377	128,171	9,811	118,360	1.25x	56,093	133,046	-	55,087	55,087	77,959	1,006	1,006	-	33,049	33,049
2039	26	398,831	13,284	412,115	231,940	132,195	10,008	122,187	1.25x	57,987	137,038	-	56,949	56,949	80,088	1,038	1,038	-	34,087	34,087
2040	27	412,351	13,550	425,901	239,809	136,348	10,208	126,140	1.25x	59,953	141,149	-	58,881	58,881	82,268	1,071	1,071	-	35,158	35,158
2041	28	426,282	13,821	440,102	233,170	140,633	10,412	130,221	1.33x	76,712	145,383	-	75,606	75,606	69,777	1,106	1,106	-	36,264	36,264
2042	29	440,690	14,097	454,787	169,469	145,056	10,620	134,436	1.89x	150,883	149,745	-	149,741	149,741	-	1,141	1,141	-	37,405	37,405
2043	30	455,606	14,379	469,985	175,784	149,621	10,833	138,788	1.88x	155,414	154,237	-	154,236	154,236	-	1,178	1,178	-	38,583	38,583
2044	31	471,038	14,667	485,704	182,342	154,331	11,049	143,282	1.88x	160,081	158,864	-	158,865	158,865	-	1,216	1,216	-	39,798	39,798
2045	32	486,953	14,960	501,913	189,106	159,193	11,270	147,923	1.87x	164,883	163,630	-	163,629	163,629	-	1,255	1,255	-	41,053	41,053
2046	33	503,405	15,259	518,664	196,114	164,212	11,496	152,716	1.87x	169,834	168,539	-	168,539	168,539	-	1,295	1,295	-	42,348	42,348
2047	34	520,485	15,564	536,049	203,448	169,391	11,726	157,665	1.86x	174,936	173,595	-	173,599	173,599	-	1,336	1,336	-	43,684	43,684
2048	35	538,099	15,876	553,975	211,016	174,736	11,960	162,776	1.85x	180,182	178,803	-	178,803	178,803	-	1,379	1,379	-	45,063	45,063
2049	36	556,360	16,193	572,553	218,910	180,253	12,199	168,054	1.85x	185,589	184,167	-	184,165	184,165	-	1,424	1,424	-	46,487	46,487
2050	37	575,167	16,517	591,684	227,018	185,948	12,443	173,505	1.84x	191,161	189,692	-	189,692	189,692	-	1,469	1,469	-	47,956	47,956
2051	38	594,684	16,847	611,531	235,499	191,826	12,692	179,134	1.84x	196,899	195,383	-	195,382	195,382	-	1,517	1,517	-	49,473	49,473
2052	39	614,869	17,184	632,053	244,297	197,893	12,946	184,947	1.83x	202,810	201,245	-	201,244	201,244	-	1,566	1,566	-	51,039	51,039
2053	40	635,713	17,528	653,241	253,991	204,155	13,205	190,950	1.82x	208,300	207,282	-	207,279	207,279	-	1,021	1,021	-	52,059	52,059

Annex 3

Revised Form of Joinder to Plan Support Agreement

JOINDER TO PLAN SUPPORT AGREEMENT

This Joinder (“Joinder”) to the Plan Support Agreement (the “PSA”), dated as of June 6, 2013, and supplemented on November 6, 2013, a copy of which is attached as Annex 1 hereto, by and among Jefferson County, Alabama, JPMorgan Chase Bank, N.A., and the Supporting Warranholders (collectively, the “Parties”), is executed and delivered by _____ (the “Joining Party”) as of _____, _____.¹

1. Agreement to be Bound by PSA. The Joining Party hereby agrees to become a Party to and, at any time the Joining Party owns Covered Sewer Warrants, to be bound by and timely perform all of the terms and provisions of the PSA (as the same may be hereafter amended, restated or otherwise modified from time to time), and shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warranholder” and a “Party” for all purposes under the PSA; *provided, however*, that, consistent with Section 3 of the PSA, the Transfer of Excess Sewer Warrants shall not be subject to the transfer restrictions contained in Section 3 of the PSA except during the Excess Warrant Restriction Period; *provided, further, however*, that the Joining Party shall not be required to elect to waive any claims with respect to any wrap insurance for any Exempt Excess Sewer Warrants owned by the Joining Party at the time of execution of this Joinder or after acquired.

2. Agreement to be Bound by the Agreement Among Supporting Warranholders. By delivering a signature page to this Joinder, the Joining Party hereby agrees to be bound by and timely perform all of the terms and provisions of the Agreement Among Supporting Warranholders attached as Annex 3 (as the same may be hereafter amended, restated or otherwise modified from time to time, the “Agreement Among Warranholders”), shall hereafter be deemed to have all of the rights and obligations of, and to be, a “Supporting Warranholder” for all purposes under the Agreement Among Warranholders.

3. Representations and Warranties. With respect to all Eligible Sewer Warrants and other Covered Sewer Warrants held by the Joining Party after giving effect to the transactions as to which this Joinder is being executed (which the Joining Party has listed in full on Annex 2 hereto) and all related rights and causes of action arising out of or in connection with or otherwise relating to such Sewer Warrants, the Joining Party hereby makes all of the representations and warranties of a Supporting Warranholder set forth in the PSA to each other Party to the PSA, to the extent applicable, including, without limitation, the representations and warranties set forth in Sections 3 and 6 of the PSA, as of the date hereof.

4. Retention of Counsel and Financial Advisors of Supporting Warranholders. For so long the Joining Party owns Covered Sewer Warrants, the Joining Party shall [OPTION A] retain each of _____, _____, and _____, the current advisors for the Majority Eligible Warranholders, in accordance with the form of retention letter document provided by such advisor(s) or [OPTION B] not retain separate advisors to participate in discussions involving the Sewer Warrants with JPMorgan or the County and abide by the decisions of the Majority Eligible Warranholders, even if such Joining Party votes against such a constituency.

¹ Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the PSA.

5. Governing Law. This Joinder shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to the “choice of law” principles of that or any other jurisdiction. By its execution and delivery of this Joinder, the Joining Party hereby irrevocably and unconditionally agrees that any dispute with respect to this Joinder shall be resolved by the Bankruptcy Court, which shall also have non-exclusive jurisdiction and power to enforce the terms of this Joinder.

Notice Information

Attention: []

[ADDRESS 1]

[ADDRESS 2]

Telephone: []

Facsimile: []

E-mail: []

[NAME OF JOINING PARTY]

By: _____

Name:

Title:

ANNEX 1

Plan Support Agreement

ANNEX 2

Eligible Sewer Warrants

<u>TRANSFERRING WARRANTHOLDER</u>	<u>NEW WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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Excess Sewer Warrants

<u>TRANSFERRING WARRANTHOLDER²</u>	<u>NEW WARRANTHOLDER</u>	<u>CUSIP#</u>	<u>AMOUNT</u>
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² List "N/A" for Excess Sewer Warrants not being acquired from an Existing Supporting Warrantholder.



JEFFERSON COUNTY, ALABAMA

REQUEST FOR PROPOSALS FOR
UNDERWRITING SERVICES

Dated: June 28, 2013

I. Introduction

Jefferson County, Alabama (the "County") has prepared this Request for Proposals ("RFP") to solicit proposals from qualified investment banking firms experienced in underwriting tax-exempt municipal securities. As described in more detail below, the County plans to issue approximately \$1.9 billion of refunding warrants to refund its outstanding sewer revenue warrants that presently aggregate approximately \$3.08 billion. Pursuant to this RFP and its evaluation of the responses received, the County will identify a firm or syndicate of firms to underwrite the New Sewer Warrants (as hereinafter defined). **Responses must be submitted by 3:00 PM, Central Daylight Time, on July 12, 2013.**

II. Background

The County has operated a sewer system (the "System") in the metropolitan Birmingham area since the early 1900s. In 1997, the County issued a series of sewer revenue warrants to construct improvements for the System in response to a consent decree and court order issued a year earlier. Additional projects and expansions increased the costs of the County's sewer improvement program to over \$2.7 billion and sewer debt of over \$3.0 billion.

Various dishonest public officials, contractors and others who sought to profit from the remediation program mandated by the consent decree structured the System financings and arranged other transactions to their personal benefit but to the detriment of the County and its citizens. At least 23 County officials, employees, private contractors, finance professionals and related third parties were convicted of crimes resulting from the fraud and corruption that pervaded this program. No current members of the Jefferson County Commission (the "Commission") were involved in this activity.

Between 2002 and 2003 the County refinanced a majority of its sewer debt. Prior to October 2002, approximately 95% of the County's sewer debt was outstanding in the form of traditional long-term fixed rate debt. By the end of 2003, well over 90% of the County's sewer debt had been refinanced as variable rate demand obligations ("VRDO") or auction rate securities ("ARS") insured by major monoline insurers. This financing structure failed in 2008 when the monoline insurers collapsed along with the VRDO and ARS markets.

In 2010, the County's voters elected an entirely new group of Commissioners who took office in November of that year. Despite considerable efforts by the new leadership, the County was unable to reach an agreeable settlement with its sewer creditors. Accordingly, the Commission authorized a filing under Chapter 9 of the federal bankruptcy code on November 9, 2011. The County filed its petition in federal bankruptcy court (the "Court") the same day.

Since filing its Chapter 9 petition, the County has engaged in litigation and negotiations with various factions of its creditors. The County has executed plan support agreements with some of its

C.367

creditors. Specific to its sewer debt, the County has recently entered into plan support agreements (the "Sewer Plan Support Agreements") with the holders of approximately 82% of the outstanding principal amount of its existing sewer debt. The Sewer Plan Support Agreements are available on the internet at the following URLs: <http://emma.msrb.org/ER678184-ER525632-ER928300.pdf> and <http://emma.msrb.org/EA540505-EA420619-EA818196.pdf>.

The Sewer Plan Support Agreements and its agreements with other creditors establish a path for the County's exit from bankruptcy. The County will file its proposed Chapter 9 Plan of Adjustment (its "Plan") on or before June 30, 2013. The Plan will not be effective until it is confirmed by the Court and the various conditions to effectiveness set forth in the Plan are satisfied.

Most material to this RFP, the Sewer Plan Support Agreements and the Plan (when filed) require the County to refund its existing sewer debt with new sewer revenue warrants aggregating approximately \$1.89 billion (the "New Sewer Warrants") by December 20, 2013. The New Sewer Warrants are expected to be secured by a gross pledge of System revenues and a new trust indenture. The County intends to engage a competent national underwriting firm (or syndicate of firms) with extensive experience in underwriting tax-exempt utility revenue obligations to assist it in structuring and carrying out its sewer refinancing plan as a part of its proposed exit from Chapter 9 bankruptcy. A proposed Financing Plan for the issuance of the New Sewer Warrants is included with the Material Event Notice available at <http://emma.msrb.org/ER678184-ER525632-ER928300.pdf>.

Additional details regarding the events summarized above may be obtained from material event notices and other filings made by the County with the Municipal Securities Rulemaking Board.

III. Request for Proposals

In light of the size, complexity, and issues involved in the proposed refinancing of its sewer warrants, the County has distributed this RFP to a select group of national underwriters believed to be capable of accomplishing the County's goals. The County hereby requests proposals from those firms to provide the services enumerated in *Section VI* hereof. Through this RFP process, the County expects to select one or more firms to serve as its lead underwriter(s) for its New Sewer Warrants. For ease of reference, this RFP will refer to the lead underwriter(s) as "senior manager" or "senior managing underwriter" in the singular.

There is no requirement that any firm include other firms as members of a selling group or syndicate in its response. However, it is not the County's intention to preclude proposals involving multiple firms, whether in roles as senior manager or otherwise. The County anticipates benefits to including a number of qualified firms in a syndicate and encourages firms to consider participating in a variety of roles, even if not selected as senior manager. The County also encourages inclusion of minority owned firms and Alabama based firms in any syndicate. The County reserves the right to exclude any member of a proposed syndicate.

Firms interested in being considered by the County to serve as senior manager for the New Sewer Warrants should submit their Proposals as outlined below.

Communication with any member of the Commission or a Commissioner's staff from the date of this RFP until award concerning any matter related to this RFP is grounds for immediate disqualification. Firms that have questions concerning any matter covered by this RFP should utilize the process outlined in *Section XIII* below.

IV. Certain Matters Specifically Relating to the Proposed Issuance of the New Sewer Warrants

A local act of the Legislature adopted in 2010 (the “County Debt Act”) requires the County to take specific steps prior to issuing the New Sewer Warrants. In general, the County Debt Act requires the County to hold public hearings and make detailed disclosures of fee arrangements in connection with the issuance of its debt. The County Debt Act requires underwriters to disclose payments made by them to third parties in connection with the New Sewer Warrants. A copy of the County Debt Act may be obtained upon request as provided in *Section XIII* below.

As provided in its Sewer Plan Support Agreements, the County has agreed with certain of its existing sewer warrant holders to enter into a Backstop/Put Agreement whereby the warrant holders party thereto (the “Supporting Warrant holders”) agree to purchase New Sewer Warrants in an amount of up to 10% of any maturity that is not completely committed, so long as at least 80% of such maturity is sold to the public. This agreement limits the underwriting obligations of County underwriters to the extent that its terms become applicable. The Supporting Warrant holders are identified in the applicable Sewer Warrant Plan Support Agreement. The County’s senior managing underwriter must cooperate with the County in complying with this existing County obligation.

V. Financing Team

The following firms will serve in the roles indicated for the New Sewer Warrants:

- A. Bond Counsel to the County: Balch & Bingham LLP, Birmingham, Alabama;
and
- B. Disclosure Counsel to the County: Bradley Arant Boult Cummings LLP, Birmingham, Alabama.

VI. Required Scope of Services

The County’s senior manager is expected to work closely with the County and its financing team identified above. Such role will include tasks typically performed by a senior managing underwriter in a tax-exempt financing transaction. Due to the importance of this transaction to the residents of the County, the County expects its senior managing underwriter to undertake each the following specific responsibilities:

- A. Provide analysis and recommendations regarding structuring of the New Sewer Warrants consistent with the Sewer Plan Support Agreements and the Plan;
- B. Provide direction and assistance to the County in preparations for and meetings with ratings agencies;
- C. Organize and implement a series of meetings with important institutional buyers and one meeting targeted to retail buyers in Alabama in an effort to increase investor interest in the New Sewer Warrants;
- D. Participate in the preparation of the County’s official statement and legal documents;
- E. Market and underwrite the New Sewer Warrants;

- F. Manage the underwriting syndicate;
- G. Cooperate with the County's Supporting Warrantholders in connection with their obligations under the Put/Backstop Agreements to be entered into among the County and the Supporting Warrantholders;
- H. Cooperate with the County in complying with the County Debt Act;
- I. Provide a closing report documenting the process of the sale and the names of institutional investors and allotments thereto;
- J. Calculate and certify the issue price of the New Sewer Warrants to the County; and
- K. Meet with County officials and members of the financing team after closing and provide an analysis of EMMA trade data from the date any warrant purchase agreement is signed until the date of such meeting in order to assist the County in compliance with Internal Revenue Service rules regarding issue price and computation of yield. The meeting described in this paragraph will occur within two weeks of closing.

VII. Questions and Specific Requests

Each question in this *Section VII* should be specifically addressed or an explanation provided as to why no response is given. Identify the question being answered. Please limit the length of your response to twenty pages, excluding exhibits.

General

A. Overview: Provide a brief overview of your firm, including a description of how the underwriting group fits within the corporate structure of the firm. In addition, please describe the following:

- 1. Number of professionals in public finance,
- 2. Number of professionals who specialize in tax-exempt water and sewer system finance, and
- 3. Number of institutional and retail salespersons.

Qualifications and Experience

B. Participation in Prior County Sewer Warrant Financings and Related Activity

- 1. Please describe your firm's role in connection with any prior sewer warrant financing of the County since 1997.
- 2. Please describe your firm's role in connection with any interest rate swaps or other derivative transactions of the County since 1997.
- 3. Please disclose and discuss any references to your firm or any current or prior employees of your firm contained in any enforcement proceedings of the U.S. Department of

Justice, the U.S. Securities and Exchange Commission, or any state attorney general in connection with prior County sewer financings.

4. Please disclose whether any of the senior management of your firm's municipal underwriting division had any role overseeing persons connected to any sewer warrant financing of the County since 1997.

C. Experience. Please describe your firm's relevant experience and performance in the following:

1. Underwriting similar types and amounts of tax-exempt debt for other governmental bodies in the United States. To the extent appropriate, please limit your response to transactions involving city or county-owned utilities within the last three years. Please indicate the participation in the referenced transactions by the personnel identified in *Section VII.E*;

2. Underwriting tax-exempt debt issued by public bodies in, or emerging from, Chapter 9 bankruptcies; and

3. Underwriting any type of tax-exempt debt rated on a level of BBB or lower.

D. Conflicts of Interest. Please list any potential conflicts of interest your firm may have in serving as senior manager to the County.

Staffing

E. Personnel. Provide the names, titles, brief résumés and office location of the persons to be assigned to this transaction. One person should be designated as lead contact who will bear responsibility for your firm's handling of the transaction. Please only include those persons who will actually work on the transaction and their specific role, including:

1. Identity and location of lead contact for the County at your firm,

2. Identities, location and responsibility of principal members of primary team proposed to assist the County, and

3. Identity and location of lead trader to be assigned to New Sewer Warrant sale.

F. Identity of Syndicate. If you plan to assemble an underwriting syndicate led by your firm for the sale of the New Sewer Warrants, please provide the following information regarding each of the proposed members of your syndicate:

<u>Name of Firm</u>	<u>Role</u>	<u>Lead Contact</u>	<u>Location</u>	<u>Participation in Prior County Sewer Financings?</u>

If not selected as a senior manager, would your firm be interested in participating as a member of a syndicate led by another firm (subject to approval of the identity of such firm in your sole discretion)?

G. Diversity. Enclose a statement of the firm’s equal employment opportunity and affirmative action policies. If your proposal includes members of a syndicate, please indicate which firms are women or minority owned.

H. Counsel to Respondent. Provide the name of the law firm proposed to represent your firm as underwriter’s counsel in the financing, including the names of the attorneys who will actually handle the transaction on your behalf. Please provide a statement from the proposed law firm as to whether the firm has represented any creditors of the County in connection with the County’s bankruptcy case.

Cost

I. Compensation and Fees. Provide an estimate of the total, not-to-exceed underwriting costs associated with your proposal. The fees and expenses of underwriter’s counsel will be borne by the underwriter(s). Please provide a breakdown of the following items on a per bond (per \$1,000 principal amount) basis as appropriate for the following rating categories, including a breakdown of the costs covered under the “Expenses” line item:

	<u>Unrated</u>	<u>B</u>	<u>BB</u>	<u>BBB</u>	<u>A or above</u>
Average takedown:					
Management fee:					
Expenses:					
Total Gross Spread:					

Transaction Plan

J. Financing Plan. In light of current conditions in the municipal marketplace and in light of the County's bankruptcy case, please describe your structuring, rating agency and marketing strategy for the New Sewer Warrants. Discuss your firm's familiarity with the County, the System, the County's Chapter 9 proceeding, and the proposed Financing Plan described in *Section II*.

K. Unique Proposals and Innovative Techniques. Please describe any innovative services or programs your firm has provided as a senior manager or co-senior manager for water or sewer revenue financings or for financings for bankrupt public bodies. Provide specific examples of completed transactions and provide references for your recent clients including names and telephone numbers.

Capital Commitment and Selling Capacity

L. Willingness to Commit Capital. Please describe your ability to underwrite and sell a new issue of approximately \$1.9 billion. If, in addition to your firm's services as senior underwriter, your firm is willing to extend credit or credit enhancement in connection with the refunding, or is willing purchase New Sewer Warrants for your own account, please indicate the terms and conditions of your commitment.

M. Selling Capacity. Describe your firm's tax-exempt distribution system, including any unique or innovative marketing ideas your firm uses. To what type(s) of investor(s) has your firm marketed tax-exempt water and sewer obligations in the past? Please explain how your firm will access sufficient retail and investor participation to ensure the success of the financing transaction.

Other Relevant Information

N. References. Indicate three issuers of tax-exempt water and sewer debt for which your firm served as a senior manager within the last year. Please limit your responses to transactions involving an aggregate principal amount of in excess of \$250 million. Indicate when you were hired and provide a reference. Each applicant shall be deemed to have authorized the County to contact all references in its sole discretion.

O. Other Information. Discuss any unique qualifications your firm possesses to qualify it to be selected as a senior managing underwriter for the New Sewer Warrants or any information you believe should be considered by the County.

VIII. Open Records

All responses, together with any documents submitted in connection therewith, become public records under Alabama law.

IX. Expense of Responding

All costs directly or indirectly related to preparation and submission of proposals or any oral presentation required to supplement or clarify your response shall be the sole responsibility of, and shall be borne by, your firm.

X. This RFP is Not a Contract

The County reserves the right to accept or reject any proposals under this RFP at its sole and absolute discretion and to waive informalities and other terms. The information contained in this RFP is not intended to serve as an exhaustive description of the services sought by the County. In releasing this RFP, the County is not obligated to proceed with any action whether or not described herein and may decide it is in the County's best interest to discontinue consideration of services.

The County may select an underwriting team but not be able to consummate a transaction within the parameters provided for in the Sewer Plan Support Agreements. For example, if the County's Plan is not approved, the County will not proceed with the issuance of its New Sewer Warrants in 2013. In addition, if the pricing for the New Sewer Warrants requires rate increases for County sewer customers in excess of the tolerance provided for in the Sewer Plan Support Agreements, the County may choose to abandon the sale of its New Sewer Warrants. No compensation or expenses will be paid to any firm for any reason unless and until the issuance of the New Sewer Warrants is closed and fully funded.

XI. Submission of Proposals

Proposals should be submitted no later than 3:00 P.M., Central Daylight Time, on July 12, 2013. Proposals must be submitted electronically via email in the form of an Adobe PDF document (word searchable to the extent practicable) to the email address listed below. Hardcopy proposals and delivery via fax will not be accepted. Please submit your proposals in advance of the deadline if possible to avoid questions as to timing of your submission. The County will confirm receipt of each proposal by telephone or return email as soon as practicable.

The County does not anticipate that an interview or oral presentation will be necessary, but reserves the right to request an interview with any respondent.

Please submit your proposal to:

Carol Sue Nelson
County Attorney
Email: nelsonc@jccal.org

THE COUNTY RESERVES THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION TO ACCEPT OR REJECT ANY AND ALL PROPOSALS, OR ANY ITEM OR PART THEREOF, AND TO WAIVE ANY INFORMALITIES OR IRREGULARITIES IN ANY PROPOSAL.

XII. Evaluation and Award

The County will evaluate the proposals received based upon the best qualifications and value perceived in each response, as compared to competing responses, taking into account:

Qualifications and Experience:

Technical experience in performing work of a similar nature, including experience with utility financings and bankrupt governmental bodies

Staffing:

Quality and experience of proposed staff, particularly team leader and key personnel

Cost:

Reasonableness of total compensation and fees

Transaction Plan:

Depth of understanding of the County's System and perceived overall quality of the response received

Capital Commitment, Selling Capacity and Other Information:

Financial commitment to fully underwrite and market the New Sewer Warrants; other information submitted in response to this RFP

The County will promptly consult with its legal and financial advisors and evaluate all responses. Respondents will be kept informed of the progress toward selection of an underwriting team as appropriate. The County expects to adopt a resolution selecting a proposal, or rejecting all proposals, by July 25, 2013.

XIII. Further Information

To obtain further information about the County or this RFP, please email your request to the attention of Thomas Longino, Balch & Bingham LLP, at tlongino@balch.com. Please include in the subject line of your email "Jefferson County RFP for Underwriters". **No questions will be accepted after midnight on July 10, 2013.**

XIV. Conclusion

The importance of this transaction to the County and its citizens cannot be overstated. The County greatly appreciates your time and consideration of this request. We look forward to receiving your response.

JEFFERSON COUNTY, ALABAMA

JEFFERSON COUNTY, ALABAMA



REQUEST FOR QUALIFICATIONS
FOR
FINANCIAL ADVISORY
SERVICES

Dated: July 10, 2013

I. Introduction

Jefferson County, Alabama (the "County") has prepared this Request for Qualifications ("RFQ") to solicit qualifications from municipal financial advisory firms experienced in advising counties or cities in structuring tax-exempt municipal securities. As described in more detail below, the County plans to issue approximately \$1.9 billion of sewer revenue warrants to refund its outstanding sewer revenue warrants currently outstanding in the aggregate principal amount of approximately \$3.1 billion. Pursuant to this RFQ and its evaluation of the responses received, the County will identify a firm to provide financial advisory assistance to the County in structuring and selling the New Sewer Warrants (as hereinafter defined). **Responses must be submitted by 3:00 PM, Central Daylight Time, on July 14, 2013.**

II. Background

The County has operated a sanitary sewer system (the "System") in the metropolitan Birmingham area since the early 1900s. In 1997, the County issued a series of sewer revenue warrants to construct improvements for the System in response to a consent decree and court order issued a year earlier. Additional projects and expansions increased the costs of the County's sewer improvement program to over \$2.7 billion and sewer debt of over \$3.0 billion.

Various dishonest public officials, contractors and others who sought to profit from the remediation program mandated by the consent decree structured the System financings and arranged other transactions to their personal benefit but to the detriment of the County and its citizens. At least 23 County officials, employees, private contractors, finance professionals and related third parties were convicted of crimes resulting from the fraud and corruption that pervaded this program. No current members of the Jefferson County Commission (the "Commission") were involved in this activity.

Between 2002 and 2003 the County refinanced a majority of its sewer debt. Prior to October 2002, approximately 95% of the County's sewer debt was outstanding in the form of traditional long-term fixed rate debt. By the end of 2003, well over 90% of the County's sewer debt had been refinanced as variable rate demand obligations ("VRDO") or auction rate securities ("ARS") insured by major monoline insurers. This financing structure failed in 2008 when the monoline insurers collapsed along with the VRDO and ARS markets.

In 2010, the County's voters elected an entirely new group of Commissioners who took office in November of that year. Despite considerable efforts by the new leadership, the County was unable to reach an acceptable settlement with its sewer creditors. Accordingly, the Commission authorized a filing

under Chapter 9 of the federal bankruptcy code on November 9, 2011. The County filed its petition in federal bankruptcy court (the "Court") the same day.

Since filing its Chapter 9 petition, the County has engaged in litigation and negotiations with various factions of its creditors. The County has executed plan support agreements with some of its creditors. Specific to its sewer debt, the County has recently entered into plan support agreements (the "Sewer Plan Support Agreements") with the holders of approximately 82% of the outstanding principal amount of its existing sewer debt. The Sewer Plan Support Agreements are available on the internet at the following URLs: <http://emma.msrb.org/ER678184-ER525632-ER928300.pdf> and <http://emma.msrb.org/EA540505-EA420619-EA818196.pdf>.

The Sewer Plan Support Agreements and the County's agreements with other creditors establish a path for the County's exit from bankruptcy. To that end, on June 30, 2013, the County filed its proposed Chapter 9 Plan of Adjustment (its "Plan") with the Court. The Plan is available on the internet at <http://www.jeffersoncountyrestructuring.com/jeffersoncounty/document/110573613063000000000001>. The Plan will not be effective until it is confirmed by the Court and the various conditions to effectiveness set forth in the Plan are satisfied. The proposed disclosure statement relating to the Plan (which has not yet been considered or approved by the Court) is available on the internet at <http://www.jeffersoncountyrestructuring.com/jeffersoncounty/document/110573613063000000000002>.

Most material to this RFQ, the Sewer Plan Support Agreements and the Plan require the County to refund its existing sewer debt with new sewer revenue warrants aggregating approximately \$1.9 billion (the "New Sewer Warrants") by December 20, 2013. The New Sewer Warrants are expected to be secured by a gross pledge of System revenues and a new trust indenture. The County intends to engage a competent national underwriting firm (or syndicate of firms) with extensive experience in underwriting tax-exempt utility revenue obligations to assist it in structuring and carrying out its sewer refinancing plan as a part of its proposed exit from Chapter 9 bankruptcy. A proposed financing plan for the issuance of the New Sewer Warrants is included with the Material Event Notice available at <http://emma.msrb.org/ER678184-ER525632-ER928300.pdf>. The County's financial advisor will be retained to advise the County regarding the structuring recommendations of the County's underwriter(s) and to prepare, review and otherwise advise the County regarding projections for sewer revenues, pricing and proposed debt service.

Additional details regarding the events summarized above may be obtained from material event notices and other filings made by the County with the Municipal Securities Rulemaking Board.

III. Request for Qualifications

In light of the size, complexity, and issues involved in the proposed refinancing of its sewer warrants, the County has distributed this RFQ to a select group of national financial advisory firms believed to be capable of assisting the County in accomplishing its goals. The County hereby requests qualifications your firm possesses that indicate it is capable of providing the services enumerated in *Section IV* hereof. Firms interested in being considered by the County to serve as financial advisor to the County for the New Sewer Warrants should submit their qualifications as outlined below.

Communication with any member of the Commission or a Commissioner's staff from the date of this RFQ until award concerning any matter related to this RFQ is grounds for immediate disqualification. Firms that have questions concerning any matter covered by this RFQ should utilize the process outlined in *Section XI* below.

IV. Required Scope of Services

The County's financial advisor is expected to work closely with the County and its financing team. Such role will include tasks typically performed by a financial advisory firm in a tax-exempt financing transaction. Due to the importance of this transaction to the residents of the County, the County expects its financial advisory firm to undertake each the following specific responsibilities:

- A. Cooperate with the underwriter(s) to develop the best structure, method and schedule for the sale, taking into account market conditions and activity;
- B. Play a primary role in preparation of rating agency strategies, preparations and presentations;
- C. Participate in preparation of all financial projections and models – advise the County on the validity and credibility of same;
- D. Participate in investor presentations (roadshows) to provide market confidence and credibility; and
- E. Review underwriter's proposed pricing of the debt, including interest rates and original issue premiums, on the day of sale -- advise the County of the reasonableness of pricing in view of prevailing market rates and comparable sales of securities by other issuers.

V. Questions and Specific Requests

Each question in this *Section V* should be specifically addressed or an explanation provided as to why no response is given. Identify the question being answered. Please limit the length of your response to ten pages, excluding exhibits.

General

A. Overview: Provide a brief overview of your firm, including a description of how the financial advisory group fits within the corporate structure of the wider firm, if any. In addition, please describe the following:

1. Number of professionals in your financial advisory practice group, and
2. Number of professionals who specialize in tax-exempt water and sewer system finance.

Qualifications and Experience

B. Participation in Prior County Sewer Warrant Financings and Related Activity

1. Please describe your firm's role in connection with any prior sewer warrant financing or any interest rate swaps or other derivative transaction of the County since 1997.
2. Please disclose and discuss any references to your firm or any current or prior employees of your firm contained in any enforcement proceedings of the U.S. Department of Justice, the U.S. Securities and Exchange Commission, or any state attorney general in connection with prior County sewer financings.

C. Experience. Please describe your firm's relevant experience and performance in the following:

1. Advising public bodies in connection with similar types and amounts of tax-exempt debt. To the extent appropriate, please limit your response to transactions involving city or county-owned utilities within the last three years. Please highlight any transactions involving a credit rating of BBB or lower or for which the personnel identified in *Section V.E* provided services; and

2. Advising public bodies in, or emerging from, Chapter 9 bankruptcies.

D. Conflicts of Interest. Please list any potential conflicts of interest your firm may have in serving as financial advisor to the County.

Staffing

E. Personnel. Provide the names, titles, brief résumés and office location of the persons to be assigned to this transaction. One person should be designated as lead contact who will bear responsibility for your firm's handling of the transaction. Please only include those persons who will actually work on the transaction and their specific role, including:

1. Identity and location of lead contact for the County at your firm, and

2. Identities, location and responsibility of principal members of primary team proposed to assist the County.

F. Diversity. Enclose a statement of your firm's equal employment opportunity and affirmative action policies.

Other Relevant Information

G. References. Indicate three issuers of tax-exempt water and sewer debt for which your firm served as a financial advisor within the last year. Please limit your responses to transactions involving an aggregate principal amount of in excess of \$250 million. Indicate when you were hired and provide a reference. Each applicant shall be deemed to have authorized the County to contact all references in its sole discretion.

H. Compensation. Provide the basis for your compensation in connection with this proposed engagement, including specificity regarding key personnel. Please provide an explanation of how expenses incurred in connection with any County work will be billed, if at all.

I. Other Information. Discuss any unique qualifications your firm possesses to qualify it to be selected as a financial advisor for the New Sewer Warrants or any information you believe should be considered by the County.

VI. Open Records

All responses, together with any documents submitted in connection therewith, become public records under Alabama law.

VII. Expense of Responding

All costs directly or indirectly related to preparation and submission of qualifications or any oral presentation required to supplement or clarify your response shall be the sole responsibility of, and shall be borne by, your firm.

VIII. This RFQ is Not a Contract

The County reserves the right to select a financial advisor at its sole and absolute discretion. The information contained in this RFQ is not intended to serve as an exhaustive description of the services sought by the County. In releasing this RFQ, the County is not obligated to proceed with any action whether or not described herein and may decide it is in the County's best interest to discontinue consideration of services.

The County may select a financial advisor but not be able to consummate a transaction within the parameters provided for in the Sewer Plan Support Agreements. For example, if the County's Plan is not approved, the County will not proceed with the issuance of its New Sewer Warrants in 2013. In addition, if the pricing for the New Sewer Warrants requires rate increases for County sewer customers in excess of the tolerance provided for in the Sewer Plan Support Agreements, the County may choose to abandon the sale of its New Sewer Warrants.

IX. Submission of Qualifications

Qualifications should be submitted no later than 3:00 P.M., Central Daylight Time, on July 14, 2013. The information requested herein must be submitted electronically via email in the form of an Adobe PDF document (word searchable to the extent practicable) to the email address listed below. Hardcopy responses and delivery via fax will not be accepted. Please submit your qualifications in advance of the deadline if possible to avoid questions as to timing of your submission. The County will confirm receipt of each response by telephone or return email as soon as practicable.

Please submit your qualifications to:

Carol Sue Nelson
County Attorney
Email: nelsonc@iccal.org

THE COUNTY RESERVES THE RIGHT IN ITS SOLE AND ABSOLUTE DISCRETION TO ACCEPT OR REJECT ANY AND ALL RESPONSES AND TO WAIVE ANY INFORMALITIES OR IRREGULARITIES IN ANY RESPONSE.

X. Evaluation and Award

The County will evaluate the information submitted based upon the best qualifications and value perceived in each response, as compared to competing responses, taking into account:

Qualifications and Experience:

Technical experience in performing work of a similar nature, including experience with utility financings and bankrupt governmental bodies

Staffing:

Quality and experience of proposed staff, particularly team leader and key personnel

Other Information:

Other information submitted in response to this RFQ

The County will promptly consult with its advisory team and evaluate all responses. Respondents will be kept informed of the progress toward selection of the most qualified firm as appropriate. The County expects to adopt a resolution selecting a financial advisor on or before July 19, 2013.

XI. Further Information

To obtain further information about the County or this RFQ, please email your request to the attention of Thomas Longino, Balch & Bingham LLP, at tlongino@balch.com. Please include in the subject line of your email "Jefferson County RFQ for Financial Advisors". **No questions will be accepted after midnight on July 12, 2013.**

XII. Conclusion

The importance of this transaction to the County and its citizens cannot be overstated. The County greatly appreciates your time and consideration of this request. We look forward to receiving your response.

JEFFERSON COUNTY, ALABAMA



Jefferson County, Alabama

**Request for Qualifications
for**

**Trustee, Registrar and Paying Agent Services
Sewer Revenue Current Interest Warrants, Series 2013-A
Sewer Revenue Capital Appreciation Warrants, Series 2013-B
Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C**

Draft: August 23, 2013

I. Introduction

Jefferson County (the “County”) is soliciting statements of qualifications for Trustee, Registrar, and Paying Agent services (all of which will be provided by one institution) in connection with the proposed issuance of its (i) Sewer Revenue Current Interest Warrants, Series 2013-A (the “Series 2013-A Warrants”), (ii) Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the “Series 2013-B Warrants”) and (iii) 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 “Warrants”). The Warrants are expected to be secured by a gross pledge of System revenues and a new trust indenture (the “Indenture”).

This Request for Qualifications (“RFQ”) seeks responses from qualified firms that can provide Trustee, Registrar and Paying Agent services for the Warrants. The County currently plans to price and close the Warrants in December 2013* and the expected size is approximately \$1.9 billion*. The structure of the Warrants is not finalized but could include current interest rate warrants, capital appreciation warrants and convertible capital appreciation warrants. Balch & Bingham LLP, Birmingham, AL, is serving as bond counsel and Bradley Arant Boult Cummings LLP, Birmingham, AL, is serving as disclosure counsel. The Trustee, Registrar, and Paying Agent will have responsibilities for all the Warrants issued by the County, as summarized below.

II. Background

The County owns and operates a sanitary sewer system (the “System”) serving customers in Jefferson County, Alabama and portions of two adjacent counties. On November 9, 2011, the County filed a petition for relief under Chapter 9 of the federal bankruptcy code. On June 30, 2013, the County filed its proposed Chapter 9 Plan of Adjustment with the Court and on July 29, 2013, the County filed a Revised Chapter 9 Plan of Adjustment (collectively the “Plan”). Information about the Plan, a Disclosure Statement Regarding Chapter 9 Plan of Adjustment and other documents related to the County’s Chapter 9 filing can be found on the internet at:

<http://www.jeffersoncountyrestructuring.com/jeffersoncounty/document/list/3009?nh=1>.

* Preliminary, Subject to Change.

Public Resources Advisory Group

A material component of the Plan is the issuance of the Warrants for the purpose of refunding all series of the County's warrants currently outstanding under that certain Trust Indenture dated as of February 1, 1997, as supplemented and amended (the "Refunded Warrants Indenture") and to satisfy certain other obligations of the County arising in connection with the Refunded Warrants Indenture. The County's Warrants to be refunded with proceeds of the sale of the Warrants 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 "Refunded Warrants").

III. Required Scope of Services

The County is seeking the services of a firm that can provide Trustee, Registrar and Paying Agent services for the Refunding Warrants.

Duties of the Trustee may include, but are not limited to the following:

- A. Holding and accounting for the funds and accounts (the "Indenture Funds") held pursuant to the Trust Indenture in connection with the Warrants (with interest and principal). Additional funds and accounts may be required as the structure of the transaction is finalized), at the discretion of the County.
- B. Providing conventional trustee services for municipal securities, including the determination of the accreted values of capital appreciation warrants ("CAWs") and convertible CAWs.
- C. Managing investment of funds in all trustee-held accounts at the instructions of the County, accounting for investment earnings, and posting earnings to the appropriate account(s).
- D. Registrar services.
- E. Paying agent services (debt billing; including interest on convertible CAWs after their conversion date; notice of calls; tender offers, and puts; DTC reporting).
- F. Safekeeping and custodial services (purchasing and selling of securities; maintaining records of receipts and disbursements; income collecting; providing periodic statements with valuations; and audit confirmation and reporting).
- G. Other services, as may be required under the Indenture.
- H. Assuming all legal obligations required of the Trustee, Registrar, and Paying Agent.
- I. Providing a legal opinion at closing, pursuant to the Indenture.

Public Resources Advisory Group

IV. Minimum Qualifications

The selected institution must be qualified for the Depository Trust Company ("DTC") and be a DTC FAST agent. The selected institution must also (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, (iv) have an investment grade rating for its long-term deposits from each of Moody's, Standard & Poor's and Fitch, (v) have a capital and surplus of not less than \$50,000,000 and (vi) be registered as a transfer agent with the Securities and Exchange Commission.

V. Content of Statements of Qualifications

Institutions interested in providing trustee services are requested to submit the following information, in the order indicated below. Responses should be concise and limited to five (5) pages (excluding resumes of personnel and required attachments). Failure to provide all requested information or deviation from the required format may result in disqualification.

A. Experience

1. General description of your firm's experience in handling similar large transactions and transactions including CAWs and convertible CAWs. Provide a tabular summary as an attachment (not included in page limit) of the bond financings with par amounts of \$1 billion or greater within the last two years on which your firm served as trustee.
2. Provide a brief summary of your firm's experience in handling various agreements, including guaranteed investment contracts, repurchase agreements and forward purchase agreements.
3. Provide your firm's bond ratings and other indicators of your firm's financial condition.
4. Identify the law firm and lawyer who will provide the required legal opinion. If your firm will be using in-house counsel, please indicate and identify the lawyer.

B. Assigned Personnel. Identify the individuals to be assigned to this transaction, their roles and relevant experience and a minimum of three references. The County reserves the right to request that the selected Trustee assign or reassign particular individuals to the transaction.

C. Fees. Using the attached sheet, please include a complete description of your fee structure for serving as Trustee, Registrar and Paying Agent, including an indication as to the timing of each payment (one-time, annual, monthly, etc.).

Public Resources Advisory Group

1. Acceptance fees and expenses (on a not-to-exceed basis).
 2. Annual fees and expenses (on a not-to-exceed basis).
 3. Counsel fees and expenses (on a not-to-exceed basis).
 4. Investment fees and expenses (including any and all transaction fees, maintenance fees and 12b-1 deductions from income).
 5. Any and all other fees and expenses anticipated to be charged to the County.
 6. The selected institution must be qualified for the DTC and have the ability to utilize DTC “fast” closing. Include any and all applicable fees related to such book-entry system.
- D. Choice of Law. Choice of law in all documents related to this engagement must be Alabama. Please acknowledge adherence to this requirement in your statement of qualifications.
- E. Legal Proceedings. Please indicate whether your institution or any related entity is or has been the subject of any criminal, civil, or regulatory investigation or action with a full description of the matter and resolution. Limit your response to matters which relate to the provision of Trustee/Registrar/Paying Agent services and/or which could have a material impact on your ability to perform the services requested in this RFQ.
- F. Conflict of Interest. Identify any current or potential conflicts of interest. Should your institution know of any potential or existing conflicts of interest, please specify the party with whom the conflict exists or may arise and detail the nature of the conflict.
- G. Documentation. Please provide an acknowledgement regarding the following documentation:
1. The selected firm will be party to the Indenture with the County; there will not be a separate Trustee, Paying Agent /Registrar Agreement.
 2. The selected firm will also be expected to give an opinion as to the following:
 - (i) *the Trustee is a _____ duly organized and validly existing under the laws of _____, has duly accepted appointment as Trustee under the Trust Indenture, and has all necessary trust powers to carry out its duties and obligations under the Trust Indenture;*

Public Resources Advisory Group

- (ii) *other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business, the acceptance and performance by the Trustee of the duties of the office of Trustee under the Trust Indenture do not require the consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action with respect to any Federal, state or other governmental body or authority;*
- (iii) *the Trust Indenture has been duly authorized, executed and delivered by the Trustee in its capacity as Trustee by all necessary corporate action on the part of the Trustee, and constitutes a legal, valid and binding agreement of the Trustee and execution, delivery and performance of the Trust Indenture will not, to the best knowledge of the opinion signatory, conflict with or constitute on the part of the Trustee a violation or breach of, or the creation of any lien or encumbrance of any property of the Trustee, any existing law or regulation, any agreement or instrument, or any judgment, injunction, or order of any court, governmental body or arbitrator applicable to the Trustee or any of its properties;*
- (iv) *the officers of the Trustee executing and delivering the Trust Indenture on behalf of the Trustee have been duly authorized by the Trustee to execute and deliver the Trust Indenture and*
- (v) *no litigation is pending or, to the best knowledge of the opinion signatory, threatened in any way against the Trustee calling into question or affecting the creation, organization or existence of the Trustee or the authority of the Trustee to execute the Trust Indenture or perform the duties and obligations of the Trustee under the Trust Indenture.*

VI. Submission Of Qualifications

Submission of responses to this Request for Qualifications is **by e-mail only**. Responses will be accepted until 4:00 p.m. (CDT), September 6, 2013, to the following:

Barry Valentinsen
Senior Managing Director
Public Resources Advisory Group, Inc.
Email: bvalentinsen@pragny.com

All offers submitted pursuant to this RFQ will become the property of the County and be public information. The County will not pay any fees or expenses to the firm selected in the event that any anticipated financing is not completed.

Public Resources Advisory Group

VII. Statement Evaluations

The County may award this contract to a bidder who will provide the best overall value and benefit to the County, in the County's sole discretion. Statements of qualifications will be evaluated based on the following criteria (not listed in order of importance):

- A. Experience of the respondent in providing trustee services;
- B. Relevant qualifications and experience of the recommended personnel;
- C. Proposed compensation; and
- D. Overall quality of the written response to this RFQ.

The County reserves the right, in its sole discretion, to reject any and all statements of qualifications and to waive any irregularity or informality in any proposal. Neither the County nor any member of the working group shall be liable for any losses incurred by the firms responding to this RFQ due to the inability, for any reason whatsoever, to complete this transaction. The County can provide no assurance that this transaction will take place. All statements of qualifications submitted to the County pursuant to this RFQ will become the property of the County. The County will not pay any fees to the firm selected in the event that the anticipated financing is not completed.

Any questions may be addressed to Barry Valentinsen (Financial Advisor) at 212-566-7800. **Communication with any member of the Commission or a Commissioner's staff from the date of this RFQ until award concerning any matter related to this RFQ is grounds for immediate disqualification.**

SUMMARY OF FEES AND EXPENSES

		One Time	Annual	Unit
Paying Agent				
	Book Entry Only (DTC)			
Trustee				
	One Time Acceptance Fee (if any)			
	Trustee Annual Admin. Fee			
Statement Fee				
Securities				
	Acceptance or delivery			
	Purchase or sale			
Disbursements				
Money Market Fees				
Arbitrage Tracking				
Miscellaneous				
	Legal			
	Expenses (if any)			
	Other			

If an alternative methodology of fee structure is available, please submit as your proposal (example: single annual or semi-annual fee covering all services).

**STATE OF ALABAMA)
JEFFERSON COUNTY)**

I, Diane Townes, Minute Clerk, Jefferson County Commission, hereby certify that the above and foregoing is a true and correct transcript of a resolution duly adopted by the Jefferson County Commission on this 4th day of June, 2013, recorded in Minute Book: 165 - Page(s): 91 Official Minutes and Records of said County Commission.

Given, under my hand and seal of Jefferson County, Alabama this the 13th day of November, 2013.



**Diane Townes
Minute Clerk
Jefferson County Commission**

C.370

District 5 David Carrington

Jun-4-2013-398

RESOLUTION OF THE JEFFERSON COUNTY COMMISSION

WHEREAS, Jefferson County, Alabama (the "County") has engaged in negotiations with various creditors in an effort to reach a consensual settlement with respect to its outstanding sewer revenue warrants; and

WHEREAS, negotiation of a reduced debt burden on the County's sewer system (the "System") is in the best interests of the County and benefits all residents of the County; and

WHEREAS, as a result of the ongoing negotiations with certain creditors, the Commission has received and reviewed the following Plan Support Agreements:

(i) a Plan Support Agreement dated as of June 6, 2013, including the Term Sheet attached as Exhibit A thereto (the "JPMorgan Plan Support Agreement"), proposed to be entered into by and the County, JPMorgan Chase Bank, N.A., JPMorgan Chase Funding, Inc. and J.P. Morgan Securities LLC, a copy of which is attached to the minutes of this meeting;

(ii) a Plan Support Agreement dated as of June 6, 2013, including the Term Sheet attached as Exhibit A thereto (the "Supporting Warrantholders Plan Support Agreement") proposed to be entered into by and among the County, Brigade Capital Management, LLC, Claren Road Credit Master Fund, Ltd., Claren Road Credit Opportunities Master Fund, Ltd., Emerald Eagle Holdings, L.L.C., Emerald Eagle Holdings South, L.L.C., Fundamental Partners LP, Fundamental Partners II LP, Glendon Capital Management L.P., various Monarch parties signatories to the Supporting Warrantholders Plan Support Agreement, Red Mountain Holdings LLC, Stone Lion Capital Partners L.P., and JPMorgan Chase Bank, N.A., a copy of which is attached to the minutes of this meeting; and

(iii) a Plan Support Agreement dated as of June 6, 2013, including the Term Sheet attached as Exhibit A thereto (the "Monoline Plan Support Agreement") proposed to be entered into by and among the County, Assured Guaranty Municipal Corp., Financial Guaranty Insurance Company, and Syncora Guarantee Inc., a copy of which is attached to the minutes of this meeting; and

WHEREAS, the Commission has determined that entry into the JPMorgan Plan Support. Agreement, the Supporting Warrantholders Plan Support Agreement and the Monoline Plan Support Agreement (collectively, the "Sewer Plan Support Agreements") is in the best interests of the County and will assist the County in its efforts to propose and pursue confirmation of a plan of adjustment to be filed in the County's Chapter 9 bankruptcy case; and

WHEREAS, the Commission has received and reviewed a financing plan containing assumptions regarding an issuance amount, costs of issuance, issuance proceeds, rate and revenue forecasts, and assumptions concerning elasticity, operating expenditures and capital expenditures, for consideration and approval by the Commission, subject to compliance with procedures required by state law, simultaneously with the above-referenced Sewer Plan Support Agreements and as a predicate component of the transactions described in such Sewer Plan Support Agreements (the "Financing Plan").


NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the Sewer Plan Support Agreements and the Financing Plan are hereby approved. The President of the Commission is hereby authorized and directed to execute and deliver the Sewer Plan Support Agreements on behalf of the County in substantially the forms presented to this meeting, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions.

(Attachments/Exhibits on file in the Minute Clerk's Office)

Motion was made by Commissioner Stephens seconded by Commissioner Brown that the above resolution be adopted. Voting "Aye" Stephens, Brown, Carrington and Knight. Voting "Nay" Bowman.

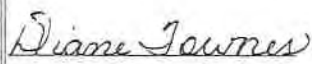
Thereupon the Commission Meeting was recessed.

The Commission Meeting was re-convened and adjourned without further discussions or deliberations at 9:00 a.m., Thursday, June 13, 2013.



President


ATTEST


Diane Jowers
Minute Clerk

**STATE OF ALABAMA)
JEFFERSON COUNTY)**

I, Diane Townes, Minute Clerk, Jefferson County Commission, hereby certify that the above and foregoing is a true and correct transcript of a resolution duly adopted by the Jefferson County Commission on this 27th day of June, 2013, recorded in Minute Book: 165 - Page(s): 162 - 163 Official Minutes and Records of said County Commission.

Given, under my hand and seal of Jefferson County, Alabama this the 13th day of November, 2013.


**Diane Townes
Minute Clerk
Jefferson County Commission**

C.371

Sewer Revenue Refunding Warrants;

ix. the execution, delivery or performance of that certain Warrant Purchase Agreement dated April 30, 2003, by and among Jefferson County, Alabama and JP Morgan Securities, Inc., related to the Series 2003-B Sewer Revenue Refunding Warrants;

x. the execution, delivery or performance of that certain Remarketing and Interest Services Agreement dated May 1, 2003, by and among Jefferson County, Alabama and J.P. Morgan Securities, Inc., relating to the Series 2003-B-4 Sewer Revenue Refunding Warrants; and

xi. the execution, delivery or performance of that certain Warrant Purchase Agreement dated August 5, 2003, by and among Jefferson County, Alabama, J.P. Morgan Securities, Inc., and Bank of America Securities LLC relating to the Series 2003-C Sewer Revenue Refunding Warrants;

xii. the underwriting, purchase, sale and/or distribution of the County's Series 2001-B General Obligation Warrants;

xiii. the negotiation, pricing, execution, delivery, or performance of that certain interest rate swap transaction in the notional amount of \$120,000,000 entered into between the County and Morgan Guaranty Trust Company of New York on or about April 17, 2001;

xiv. the execution, delivery or performance of that certain Standby Warrant Purchase Agreement dated as of July 1, 2001, by and among Jefferson County, Alabama, The Bank of New York, as Trustee, Morgan Guaranty Trust Company of New York, and Bayerische Landesbank Girozentrale, New York Branch, relating to the Series 2001-B General Obligation Warrants.

d. The Releasor shall not use or rely upon the existence of the Settlement Agreement or this release, or the occurrence of any events comprising the Relevant Conduct, as a basis or justification, in the Releasor's Bankruptcy Case or otherwise, for (i) any equitable subordination or disallowance of the Sewer Warrant Claims, or (ii) any classification, under any plan of adjustment in the Bankruptcy Case, of the Sewer Warrant Claims separate and apart from the claims of holders of the Sewer Warrants generally. The Releasor shall not assist or cooperate, directly or indirectly, with any party in interest in the Bankruptcy Case seeking to equitably subordinate or otherwise disadvantage, or objecting to or seeking to disallow, in whole or in part, the Sewer Warrant Claims, on the basis of the existence of the Settlement Agreement, this release or the occurrence of any events comprising the Relevant Conduct. For the avoidance of doubt, Releasor may respond to any lawful subpoena properly issued under Federal Rule of Bankruptcy Procedure 9016.

e. Except as expressly set forth in this Release, nothing in this Release shall alter, limit, impair or otherwise affect in anyway any of Releasor's or Releasee's rights, claims, defenses, or causes of action against each other or with respect to any Sewer Warrant Claims in Releasor's Bankruptcy Case.

Jefferson County, Alabama

W. D. Carrington, President

Jefferson County Commission

Motion was made by Commissioner Stephens seconded by Commissioner Knight that the above resolution be adopted. Voting "Aye" Stephens, Knight, Brown and Carrington. Voting "Nay" Bowman.

Jun-27-2013-471

WHEREAS, Jefferson County, Alabama (the "County") has engaged in negotiations with various creditors and reached consensual settlements with respect to its outstanding debt, including certain general obligation warrants, certain limited obligation school warrants, and certain limited obligation sewer revenue warrants; and

WHEREAS, negotiation of a reduced debt burden on the County's general fund, tax revenues, and the revenues from the County's sewer system (the "System") is in the best interests of the County and benefits all residents of the County; and

WHEREAS, as a result of the ongoing negotiations with certain creditors, the Commission by prior resolution has approved five Plan Support Agreements (the "Plan Support Agreements") and other settlement agreements with various creditors; and

WHEREAS, further pursuant to such negotiations the Commission has received and reviewed a Plan Support Agreement dated as of June 27, 2013 (the "Liquidity Bank Plan Support Agreement"), proposed to be entered into by and among the County and The Bank of Nova Scotia, The Bank of New York Mellon, as liquidity bank, and State Street Bank and Trust Company, a copy of which is attached to the minutes of this meeting; and

WHEREAS, the Commission has determined that entry into the Liquidity Bank Plan Support Agreement is in the best interests of the County and will assist the County in its efforts to propose and pursue confirmation of a plan of adjustment to be filed in the County's Chapter 9 bankruptcy case; and

WHEREAS, further, pursuant to ongoing negotiations with certain creditors, the Commission has received and reviewed a Plan

Support Agreement dated as of June 27, 2013 (the "National Plan Support Agreement"), proposed to be entered into by and among the County and National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation, a copy of which is attached to the minutes of this meeting; and

WHEREAS, the Commission has determined that entry into the National Plan Support Agreement is in the best interests of the County and will assist the County in its efforts to propose and pursue confirmation of a plan of adjustment to be filed in the County's Chapter 9 bankruptcy case; and

WHEREAS, the Commission has approved by prior resolution a financing plan containing assumptions regarding an issuance amount, costs of issuance, issuance proceeds, rate and revenue forecasts, and assumptions concerning elasticity, operating expenditures and capital expenditures, subject to compliance with procedures required by state law, as a predicate component of the transactions described in the Plan Support Agreements relating to the County's sewer debt (the "Financing Plan"); and

WHEREAS, consistent with the foregoing, the Commission has received and reviewed a draft Chapter 9 Plan of Adjustment for Jefferson County, Alabama (the "Plan of Adjustment"), a copy of which is attached to the minutes of this meeting; and

WHEREAS, the Commission has determined that filing and pursuing confirmation of the Plan of Adjustment is in the best interests of the County and necessary to effectuate the settlements, Plan Support Agreements, Liquidity Bank Plan Support Agreement, and National Plan Support Agreement described above; and

WHEREAS, consummation of the Plan of Adjustment and the Financing Plan will require the County to retain one or more investment banking firms to serve as underwriters for the sale of the refunding sewer warrants described in the Plan of Adjustment and the Financing Plan and to confirm legal counsel to the County necessary in connection therewith; and

WHEREAS, the Commission proposes to solicit proposals from qualified investment banking firms by means of a Request for Proposals (the "Request for Proposals"), a copy of which is attached to the minutes of this meeting, which includes the scope of services required by the County, the process for submission of proposals to the County and the criteria for evaluation of proposals by the County; the Request for Proposals shall be distributed to national investment banks capable of underwriting, or managing the underwriting of, the County's refunding sewer warrants.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the Liquidity Bank Plan Support Agreement is hereby approved. The President of the Commission is hereby authorized and directed to execute the Liquidity Bank Plan Support Agreement in substantially the form presented to this meeting, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the National Plan Support Agreement is hereby approved. The President of the Commission is hereby authorized and directed to execute the National Plan Support Agreement in substantially the form presented to this meeting, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the Plan of Adjustment is hereby approved. The President of the Commission is hereby authorized and directed to execute and direct counsel to file and take such steps as are necessary and appropriate to pursue confirmation of the Plan of Adjustment in substantially the form presented to this meeting, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the President of the Commission is hereby authorized and directed to execute (or cause to be executed), and to direct counsel to file a disclosure statement with respect to the Plan of Adjustment and all other necessary motions or pleadings with respect to the Plan of Adjustment (including, without limitation, regarding solicitation of votes on the Plan of Adjustment) in such form as is appropriate and not inconsistent in any material fashion with the form of Plan of Adjustment presented to this meeting.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that the Request for Proposals and the procedure for selection of an underwriter or syndicate of underwriters contained therein are hereby approved. The President of the Commission is hereby authorized and directed to approve the Request for Proposals in substantially the form presented to this meeting, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION that Balch & Bingham LLP is hereby designated and confirmed as bond counsel to the County and Bradley Arant Boult Cummings LLP is hereby designated and confirmed as disclosure counsel to the County, all for the issuance of the sewer refunding warrants described in the Plan of Adjustment and the Financing Plan.

(All aforementioned attachments are on file in the Minute Clerk's Office)

Motion was made by Commissioner Stephens seconded by Commissioner Knight that the above resolution be adopted. Voting "Aye" Stephens, Knight, Brown and Carrington. Voting "Nay" Bowman.

**STATE OF ALABAMA)
JEFFERSON COUNTY)**

I, Diane Townes, Minute Clerk, Jefferson County Commission, hereby certify that the above and foregoing is a true and correct transcript of a resolution duly adopted by the Jefferson County Commission on this 23rd day of July, 2013, recorded in Minute Book: 165 - Page(s): 200 - 201 Official Minutes and Records of said County Commission.

Given, under my hand and seal of Jefferson County, Alabama this the 13th day of November, 2013.



**Diane Townes
Minute Clerk
Jefferson County Commission**

C.372

MB: 165

PG: 200

integrated swaps, or "super-integrated swaps", with respect to the Sewer Warrants and any payments made, or forgiven or

H. The Service has not formally asserted any claims against the Issuer, or sought to tax any holders of the Sewer Warrants on interest income on the Sewer Warrants.

I. The Issuer and the Service desire to resolve all issues raised during the examination of the Sewer Warrants and resulting in the possible violations described in paragraph C.

J. The terms of this Agreement were arrived at by negotiation between the Issuer and the Service, and may differ from the terms of settlement of other bond issues examined or to be examined by the Service.

NOW, IT IS HEREBY DETERMINED AND AGREED PURSUANT TO THIS CLOSING AGREEMENT EXECUTED BY THE PARTIES HERETO UNDER CODE SECTION 7121, THAT FOR FEDERAL INCOME TAX PURPOSES:

1. Prior to the execution and delivery of this Agreement, the Issuer shall cause to be electronically paid the sum of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) (the "Settlement Amount") to the Service via the Electronic Federal Tax Payment System and in accordance with the directions contained in Exhibits B-? of this Agreement. Payment of the Settlement Amount shall not be made from proceeds of an issue of bonds described in section 103(a) of the Code.

2. The Settlement Amount paid by the Issuer pursuant to this Agreement is not refundable, or subject to credit or offset under any circumstance.

3. This Agreement is executed with respect to the taxability of interest paid on the Sewer Warrants.

4. Interest paid on the Sewer Warrants from the date of issuance to the earlier of the date the Sewer Warrants are retired or June 30, 2015 is excludable from gross income under section 103 of the Code.

5. This Agreement finally and conclusively resolves the tax issues identified in paragraph C with respect to the Sewer Warrants.

6. This Agreement does not prohibit refunding of the Sewer Warrants on a tax-exempt basis. As such, in the event the Sewer Warrants are refunded on a tax-exempt basis through the issuance of the Adjusted Debt, the Adjusted Debt will be subject to all federal tax requirements under section 103 of the Code and the regulations thereunder.

7. This Agreement may not be cited or relied upon by any person or entity whatsoever as precedent in the disposition of any other case.

8. This Agreement is final and conclusive, except that:

a) The matter it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of a material fact;

b) It is subject to sections of the Code that expressly provide that effect be given to their provisions (including any stated exceptions for section 7122) notwithstanding any other law or rule of law; and

c) If it relates to a tax period ending after the effective date of this agreement, it is subject to any law enacted after the Agreement date that applies to that tax period.

(Exhibits on file in the Minute Clerk's Office)

By signing, the above parties certify that they have read and agreed to the terms of this Agreement.

JEFFERSON COUNTY, ALABAMA

W. D. Carrington, President

COMMISSIONER OF INTERNAL REVENUE:

BY: _____

DIRECTOR, TAX EXEMPT BONDS

Motion was made by Commissioner Bowman seconded by Commissioner Stephens that the above resolution be adopted. Voting "Aye" Bowman, Stephens, Brown, Carrington and Knight.

Jul-23-2013-526

RESOLUTION OF THE JEFFERSON COUNTY COMMISSION

WHEREAS, the Commission previously reviewed and approved a Chapter 9 Plan of Adjustment for Jefferson County, Alabama (the "Plan of Adjustment"), which Plan of Adjustment the County filed in its Chapter 9 bankruptcy case on June 30, 2013; and

WHEREAS, the Commission preliminarily approved a Financing Plan on June 4, 2013 relating to the refunding sewer warrants proposed to be issued by the County to implement the terms of the Plan of Adjustment; and

WHEREAS, the Amended Financing Plan, a copy of which is attached to the minutes of this meeting, incorporates adjustments to the County's sewer rates and revenue projections resulting substantially from lower than expected revenues, changing consumption patterns and unseasonably wet and cold weather during the first six months of 2013;

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION as follows:


1. The Amended Financing Plan is hereby preliminarily approved.

2. The President of the Commission is hereby authorized and directed to execute and direct counsel to file a revised version of the Plan of Adjustment and related Disclosure Statement incorporating the terms of the Amended Financing Plan and certain technical amendments to the versions of the Plan of Adjustment and related Disclosure Statement filed on June 30, 2013, and to take such steps as are necessary and appropriate to pursue confirmation of the revised Plan of Adjustment, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions.

Motion was made by Commissioner Stephens seconded by Commissioner Knight that the above resolution be adopted. Voting "Aye" Stephens, Knight, Brown and Carrington. Voting "Nay" Bowman.

Thereupon the Commission Meeting was recessed.

The Commission Meeting was re-convened and adjourned without further discussions or deliberations at 9:00 a.m., Thursday, July 25, 2013.



President

ATTEST




Minute Clerk

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Diane Townes, Minute Clerk, Jefferson County Commission, hereby certify that the above and foregoing is a true and correct transcript of a resolution duly adopted by the Jefferson County Commission on this 23rd day of September, 2013, recorded in Minute Book: 165 - Page(s): 330 - 344 Official Minutes and Records of said County Commission.

Given, under my hand and seal of Jefferson County, Alabama this the 13th day of November, 2013.


Diane Townes
Minute Clerk
Jefferson County Commission

C.373

Olivia Thompson	Steve Couch	Anna Brown	Rev. Calvin Woods
Geraldine Jackson	James Evans	George Singleton	William Mohammad
Kerry English	Louise Alexander	Representative Mary Moore	
John S. Meriwether, Jr.	James Murphy	Anthony I. Richardson	
Dimple Simmons	Cedric Hatcher	Maralyn Mosely	
Andrew Bennett	Tommy Carrington	Bobby Freeman	
Josh Firth	Richard Franklin	David Russell	

Sep-23-2013-720

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, pertaining to the operation, repair, improvement, and management of the Jefferson County sanitary sewer system (the "Sewer System");

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 Warrantholders and JPMorgan Chase Bank, N.A., see 8-4338 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 8-36953700;
- (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 that 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 properly 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 Warranholders 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 Warranholder 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 8 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/1 strength): \$0.8284 per pound;
- xvi. Surcharge for COD (750 mg/1 strength): \$0.4142 per pound;
- xvii. Surcharge for TSS (300 mg/1 strength): \$0.2734 per pound;
- xviii. Surcharge for FOG (50 mg/1 strength): \$0.1715 per pound;
- xix. Surcharge for TP (4 mg/1 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,

The Approved Rate Structure provides that the County Commission will in compliance with Amendment 73 and Act 619, consider a series of adjustments 10 User Charges, including an upward adjustment of \$5.00 (scaled by meter size a accordance with the AWWA M1 Manual reference for meter equivalence ratio) is 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 test 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 Dare 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 20, 2015, by 7.89%, effective no later than October 1, 2015, and that such 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;

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 IT 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.

JEFFERSON COUNTY

SEWER USE CHARGE ORDINANCE 1809

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 amendment thereto are contained in the office of the Minute Clerk of Jefferson County in Minute Book 164, ;ages 38-81. In the event 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.

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 Site.
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 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 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 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 IY.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 11).
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, copartnership, 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 pie 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 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 Plant 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.

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. 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.

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 reenrollment 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:

Meter Size in. dia.	Charge
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/1	\$0.8284
COD	750 mg/1	\$0.4142
TSS	300 mg/1	\$0.2734
FOG	50 mg/1	\$0.1715
TP	4 mg/1	\$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/1) 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 Y4 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:

Waste type	Rate per 1000 gallons
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:

Fixture	Impact Fee
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	\$150.00	
Disconnection	\$25.00	

County 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:

Annual Inspection Fee

<u>Number</u>	<u>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

Other Fees

<u>Type</u>	<u>Fee</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:


Motion was made by Commissioner Knight seconded by Commissioner Stephens that the above resolution be adopted. Voting "Aye" Knight, Stephens and Carrington. Voting "Nay" Bowman and Brown.

Thereupon the Commission Meeting was recessed.

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Diane Townes, Minute Clerk, Jefferson County Commission, hereby certify that the above and foregoing is a true and correct transcript of a resolution duly adopted by the Jefferson County Commission on this 31st day of October, 2013, recorded in Minute Book: 165 - Page(s): 450 - 451 Official Minutes and Records of said County Commission.

Given, under my hand and seal of Jefferson County, Alabama this the 13th day of November, 2013.


Diane Townes
Minute Clerk
Jefferson County Commission

Thereupon the Commission Meeting was recessed.

The Commission met in Work Session on October 31, 2013, and approved the following item(s) to be considered at the reconvened October 21, 2013, Regular Commission Meeting Agenda:

- Commissioner Stephens, Finance & Information Technology Committee Items 1 through 3.

The Commission Meeting was re-convened Thursday, October 31, 2013 at 3:00 p.m. with the following members present:

- District 1 - George F. Bowman
- District 2 - Sandra Little Brown
- District 3 - James A. (Jimmie) Stephens
- District 4 - Joe Knight
- District 5 - David Carrington

Oct-31-2013-844

WHEREAS, Jefferson County, Alabama (the "County") has engaged in negotiations with various creditors and reached consensual settlements with respect to its outstanding debt, including certain general obligation warrants, certain limited obligation school warrants, and certain limited obligation sewer revenue warrants; and

WHEREAS, negotiation of a reduced debt burden on the County's general fund, tax revenues, and the revenues from the County's sewer system (the "System") is in the best interests of the County and benefits all residents of the County; and

WHEREAS, as a result of the ongoing negotiations with certain creditors, the County Commission by prior resolution approved (i) that certain Plan Support Agreement dated as of June 6, 2013 (the "Supporting Warrantholders PSA"), by and among the County, JPMorgan Chase Bank, N.A., and the "Supporting Warrantholders" from time to time party thereto; and (ii) four other plan support agreements with certain creditors of the System (collectively, the "Other PSAs"⁽¹⁾ and together with the Supporting Warrantholders PSA, the "Sewer PSAs"); and

WHEREAS, in furtherance of the transactions and settlements contemplated by the Sewer PSAs, the County has filed and prosecuted confirmation of the Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) (the "Current Plan"); and

WHEREAS, the County Commission preliminarily approved an initial financing plan for the possible issuance of new sewer indebtedness (the "New Sewer Warrants") by resolution dated June 4, 2013; and

WHEREAS, the County Commission preliminarily approved an amended financing plan for the possible issuance of the New Sewer Warrants by resolution dated July 23, 2013 (the "Amended Financing Plan"); and

WHEREAS, the County has been advised by its financial and other advisors, including the lead underwriter of the New Sewer Warrants - Citigroup Global Markets Inc. - that the combination of current market rates (yields) and the anticipated future capital expenditures and operating expenditures reviewed by the County's financial advisors as part of the process of preparing a municipal advisor's feasibility study in contemplation of the offering of the New Sewer Warrants would leave a significant deficiency (the "Deficiency") in the net proceeds that could be generated under the terms of the Amended Financing Plan; and

WHEREAS, as a result of the existence of the Deficiency and the lack of creditor concessions to address the Deficiency, the County Commission authorized and directed counsel for the County to begin the process of terminating the Supporting Warrantholders PSA by resolution dated October 17, 2013 (the "Termination Resolution"); and

WHEREAS, in accordance with the Termination Resolution, counsel for the County provided the first written notice from the County contemplated by Section 8.1(b) of the Supporting Warrantholders PSA via a notice dated October 17, 2013 (the "Termination Notice"); and

WHEREAS, subsequent to the issuance of the Termination Notice, representatives of the County met in good faith with representatives of certain of the County's sewer creditors in an effort to obtain further concessions sufficient to eliminate the Deficiency and allow the County to proceed to consummate a modified version of the Current Plan through the issuance of New Sewer Warrants; and

WHEREAS, as a result of the aforementioned meetings, the County has obtained agreements in principle, subject to the completion and execution of definitive documentation acceptable to the parties, for additional concessions or the provision of further value sufficient to address a Deficiency of up to \$300 million in the aggregate (subject to potential recoupment of any excess concessions through agreed formulas) (collectively, the "Further Creditor Concessions"); and

WHEREAS, a further amended version of the Amended Financing Plan (the "Further Amended Financing Plan"), a copy of which is attached to the minutes (on file in the Minute Clerk's Office) of this meeting, incorporates adjustments to the Amended Financing Plan to

address subsequent revisions to the System's anticipated revenues, operating expenses, and capital expenses, as well as subsequent changes in market conditions and the Further Creditor Concessions.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION as follows:

1. The Further Amended Financing Plan is hereby approved.
2. Counsel for the County is hereby authorized and directed to forthwith provide a written notice from the County rescinding the Termination Notice.
3. The Termination Resolution is hereby withdrawn and counsel for the County is hereby authorized and directed not to proceed with any of the acts set forth in items 2, 3, and 4 of the Termination Resolution.
4. The President of the Commission is hereby authorized and directed (a) to execute and (b) direct counsel to:
 - (i) prepare and file a revised version of the Current Plan incorporating the terms of the Further Amended Financing Plan and the Further Creditor Concessions, and to take such steps as are necessary and appropriate to pursue confirmation of the revised chapter 9 plan, with such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions;
 - (ii) prepare appropriate supplements to each of the Sewer PSAs; and
 - (iii) prepare such other documentation as may be necessary or appropriate to document and implement the Further Creditor Concessions.

(1) The Other PSAs are: (1) that certain Plan Support Agreement dated as of June 6, 2013, by and among the County, JPMorgan Chase Bank, N.A., and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory thereto; (2) that certain Plan Support Agreement dated as of June 6, 2013, by and among the County, Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc., Financial Guaranty Insurance Company, and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc.; (3) that certain Plan Support Agreement dated as of June 27, 2013, by and among the County, The Bank of Nova Scotia, The Bank of New York Mellon in its capacity as a holder of Sewer Warrants, and State Street Bank and Trust Company; and (4) that certain Plan Support Agreement dated as of July 24, 2013, by and between the County and Lehman Brothers Special Financing Inc.

Motion was made by Commissioner Knight seconded by Commissioner Stephens that the above resolution be adopted. Voting "Aye" Knight, Stephens, Brown and Carrington. Voting "Nay" Bowman

Oct-31-2013-845

WHEREAS, as part of the County's July 29, 2013 Plan of Adjustment (as it may be amended, supplemented or modified from time to time by the County in accordance with the terms thereof and 11 U.S.C. §942, the "Plan of Adjustment"), the County has agreed, upon confirmation and effectiveness of the Plan of Adjustment and certain other conditions, to issue refunding warrants (the "Refunding Sewer Warrants") payable out of revenues from the County's sanitary sewer system (the "System") in order to, among other things, refund various limited obligation sewer revenue warrants of the County currently outstanding and satisfy other sewer-related claims pursuant to the Plan of Adjustment; and

WHEREAS, as part of this process the County is required to prepare a preliminary official statement (such document, and any amendments, supplements or other modifications thereto; the "POS") and a final official statement (such document, and any amendments, supplements or other modifications thereto, the "OS") setting forth, among other things, material information about the County, the County's financial condition, the System, and the Refunding Sewer Warrants for use in marketing and selling the Refunding Sewer Warrants to the public; and

WHEREAS, the Commission has previously engaged the accounting firm Warren Averett LLC ("Warren Averett") to perform specific services on the County's behalf, including audits of the County's annual financial statements; and

WHEREAS, the Commission deems it necessary, desirable, and in the public interest to expand the scope of the County's engagement of Warren Averett and to engage Warren Averett to apply and provide certain specified services and procedures in connection with the preparation of the POS and the OS.

BE IT RESOLVED BY THE JEFFERSON COUNTY COMMISSION that the Commission hereby authorizes the engagement of Warren Averett to apply and provide certain specified services and procedures in connection with the preparation of the POS and the OS and to otherwise assist the Commission with the preparation of the POS and the OS as the Commission and Warren Averett mutually agree; and

BE IT FURTHER RESOLVED BY THE JEFFERSON COUNTY COMMISSION that Commission President David Carrington is hereby authorized to execute and deliver on the Commission's behalf the attached engagement letter agreement with Warren Averett.

TERMS OF ENGAGEMENT

OCTOBER 21, 2013

1. ENGAGEMENT. Warren Averett, LLC is pleased to confirm our understanding of the services we are to provide for The Jefferson

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 Warrantholders 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.

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. 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,

- W. 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,

- X. The Amended Financing Plan is contingent on the County's compliance with the Approved Rate Structure;

WHEREAS,

- Y. 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,

- Z. 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,

- AA. 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,

- BB. 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,

- CC. 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,

- DD. 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,

- 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 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,

- 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 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,

- 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 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,

- 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 – 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,

- II. 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,

- JJ. 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,

KK. 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,

LL. 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,

MM. In addition to amending 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.

[INSERT AMENDED AND RESTATED CHARGE ORDINANCE]

**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.

C.376

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 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:

RESOLUTION OF THE JEFFERSON COUNTY COMMISSION

WHEREAS, Jefferson County, Alabama (the "County") has engaged in negotiations with various creditors and reached consensual settlements with respect to its outstanding debt, including certain general obligation warrants, certain limited obligation school warrants, and certain limited obligation sewer revenue warrants; and

WHEREAS, negotiation of a reduced debt burden on the County's general fund, tax revenues, and the revenues from the County's sewer system (the "System") is in the best interests of the County and benefits all residents of the County; and

WHEREAS, as a result of the ongoing negotiations with certain creditors, the County Commission by prior resolution approved (i) that certain *Plan Support Agreement* dated as of June 6, 2013 (the "Supporting Warrantholders PSA"), by and among the County, JPMorgan Chase Bank, N.A., and the "Supporting Warrantholders" from time to time party thereto; and (ii) four other plan support agreements with certain creditors of the System (collectively, the "Other PSAs"¹) and together with the Supporting Warrantholders PSA, the "Sewer PSAs"); and

WHEREAS, in furtherance of the transactions and settlements contemplated by the Sewer PSAs, the County has filed and prosecuted confirmation of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the "Current Plan"); and

WHEREAS, the County Commission preliminarily approved an initial financing plan for the possible issuance of new sewer indebtedness (the "New Sewer Warrants") by resolution dated June 4, 2013; and

WHEREAS, the County Commission preliminarily approved an amended financing plan for the possible issuance of the New Sewer Warrants by resolution dated July 23, 2013 (the "Amended Financing Plan"); and

WHEREAS, the County has been advised by its financial and other advisors, including the lead underwriter of the New Sewer Warrants – Citigroup Global Markets Inc. – that the combination of current market rates (yields) and the anticipated future capital expenditures and operating expenditures reviewed by the County's financial advisors as part of the process of preparing a municipal advisor's feasibility study in contemplation of the offering of the New Sewer Warrants would leave a significant deficiency (the "Deficiency") in the net proceeds that could be generated under the terms of the Amended Financing Plan; and

¹ The Other PSAs are: (1) that certain *Plan Support Agreement* dated as of June 6, 2013, by and among the County, JPMorgan Chase Bank, N.A., and each affiliate of JPMorgan beneficially owning Sewer Warrants signatory thereto; (2) that certain *Plan Support Agreement* dated as of June 6, 2013, by and among the County, Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc., Financial Guaranty Insurance Company, and Syncora Guarantee Inc., f/k/a XL Capital Assurance Inc.; (3) that certain *Plan Support Agreement* dated as of June 27, 2013, by and among the County, The Bank of Nova Scotia, The Bank of New York Mellon in its capacity as a holder of Sewer Warrants, and State Street Bank and Trust Company; and (4) that certain *Plan Support Agreement* dated as of July 24, 2013, by and between the County and Lehman Brothers Special Financing Inc.

WHEREAS, as a result of the existence of the Deficiency and the lack of creditor concessions to address the Deficiency, the County Commission authorized and directed counsel for the County to begin the process of terminating the Supporting Warrantholders PSA by resolution dated October 17, 2013 (the "Termination Resolution"); and

WHEREAS, in accordance with the Termination Resolution, counsel for the County provided the first written notice from the County contemplated by Section 8.1(b) of the Supporting Warrantholders PSA via a notice dated October 17, 2013 (the "Termination Notice"); and

WHEREAS, subsequent to the issuance of the Termination Notice, representatives of the County met in good faith with representatives of certain of the County's sewer creditors in an effort to obtain further concessions sufficient to eliminate the Deficiency and allow the County to proceed to consummate a modified version of the Current Plan through the issuance of New Sewer Warrants; and

WHEREAS, as a result of the aforementioned meetings, the County has obtained agreements in principle, subject to the completion and execution of definitive documentation acceptable to the parties, for additional concessions or the provision of further value sufficient to address a Deficiency of up to \$300 million in the aggregate (subject to potential recoupment of any excess concessions through agreed formulas) (collectively, the "Further Creditor Concessions"); and

WHEREAS, a further amended version of the Amended Financing Plan (the "Further Amended Financing Plan"), a copy of which is attached to the minutes of this meeting, incorporates adjustments to the Amended Financing Plan to address subsequent revisions to the System's anticipated revenues, operating expenses, and capital expenses, as well as subsequent changes in market conditions and the Further Creditor Concessions.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION as follows:

1. The Further Amended Financing Plan is hereby approved.
2. Counsel for the County is hereby authorized and directed to forthwith provide a written notice from the County rescinding the Termination Notice.
3. The Termination Resolution is hereby withdrawn and counsel for the County is hereby authorized and directed not to proceed with any of the acts set forth in items 2, 3, and 4 of the Termination Resolution.
4. The President of the Commission is hereby authorized and directed (a) to execute and (b) direct counsel to:
 - (i) prepare and file a revised version of the Current Plan incorporating the terms of the Further Amended Financing Plan and the Further Creditor Concessions, and to take such steps as are necessary and appropriate to pursue confirmation of the revised chapter 9 plan, with

such changes thereto and deletions therefrom as he may approve as necessary and appropriate, his execution thereof to be conclusive evidence of his approval of such changes or deletions;

(ii) prepare appropriate supplements to each of the Sewer PSAs; and

(iii) prepare such other documentation as may be necessary or appropriate to document and implement the Further Creditor Concessions.

APPROVED BY THE
JEFFERSON COUNTY COMMISSION
DATE: 10-31-13
MINUTE BOOK: 165
PAGE(S): 450-451

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Sources and Uses

Sources:		Senior Lien	Subordinate Lien	Total
Warrant Proceeds				
Principal				
Current Interest Warrants	\$375,000,000.00		\$750,155,000.00	\$1,125,155,000
Capital Appreciation Warrants	\$55,693,095.85		\$71,935,073.95	\$127,628,170
Convertible Capital Appreciation Warrants	\$69,308,272.15		\$416,317,273.00	\$485,625,545
Total	\$500,001,368.00		\$1,238,407,346.95	\$1,738,408,715
Aggregate principal does not and will not exceed \$1.977 billion amount contained in July 23 Amended Financing Plan.				
Original Issue Premium/Discount	\$3,776,250.00	(\$3,339,364.50)		\$436,885.50
Total Warrant Proceeds	\$503,777,618	\$1,235,067,982.45		\$1,738,845,600
Other Sources				
Other Sources of Funds				\$2,700,979
Cash from System Available to Closing				
Total Sources	\$503,777,618.00	\$1,235,067,982.45		\$1,741,546,579.61
Uses:				
Proceeds to Creditors	\$472,872,558.42	\$1,224,940,167.30		\$1,700,513,704.88
Warrant Insurance Premium	\$26,816,000.00			\$26,816,000.00
Debt Service Reserve Fund Deposit				
Underwriter's Discount	\$3,370,009.22	\$8,346,865.52		\$11,716,874.74
Costs of Issuance	\$719,050.36	\$1,780,949.64		\$2,500,000.00
Additional Proceeds				
Total Uses	\$503,777,618.00	\$1,235,067,982.45		\$1,741,546,579.61
Summary Statistics				
Rate Increases:	Yr. One 3.5 & 3.49% NR; 7.89% Yrs. 2-5, 3.49% until excess Cash Flow			
Initial-year increase represents 3.5% increase in base charge (residential and nonresidential) and 3.49% increase in volumetric non-residential charges.				
Future Value of Capital Appreciation Warrants				\$489,545,000
Future Value of Convertible Capital Appreciation Warrants				\$987,255,000
Future Value of All Capital Appreciating Warrants				\$1,476,800,000
Anticipated CAPEX Shortfall				\$1,200,006,438
Dated Date				12/3/13
Delivery Date				12/3/13

This Further Amended Financing Plan further amends the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013.

The rates set forth herein are solely for purposes of showing anticipated revenues. It is possible for the County to achieve equivalent revenues through means other than across the board rate increases, such as by tiered rates or minimum charges.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan**

Proceeds to Creditors

Originally Agreed Upon Amount for Creditors*	1,847,000,000.00
Less: Warrant Proceeds & Funds on Hand	1,700,513,704.88
Less: Additional JPMorgan Contribution (1)	100,000,000.00
Less: Sewer Liquidity Bank Contribution	2,764,296.75
Less: Supporting Sewer Warrant Holders Contribution	4,000,000.00
Less: Elimination of Put Consideration	13,500,000.00
Less: Additional Sewer Warrant Insurers Contribution (2)	26,250,000.00
Residual Amount Required for Creditors	(28,001,633)

* Amount based on negotiated and assumed distributions to sewer creditors: \$22 million of non-commutation basket, \$165 million to monolines, 65 cent non-commutation distribution, 80 cent commutation distribution (with waivers), and JPM reallocations. Amount does not include distributions to pay, or reimburse insurers for their payment of, preclosing interest and principal scheduled to come due on or after February 1, 2013. In addition, amount is net of Tail Risk considerations.

(1) Contributions in the form of reduced distributions to JPMorgan are in addition to net present value estimated to be approximately \$140,000,000 based on current market conditions, which value will be provided as a result of JPMorgan issuing up to \$180,000,000 face amount (i.e., 10% of the par amount of the new warrants) 40-year letter(s) of credit for deposit to one or more reserve funds under the New Sewer Warrant Indenture. Actual value of the letter(s) of credit will be determined at the time of pricing of the new warrants.

(2) Contributions in the form of reduced distributions to FGIC and Syncora are in addition to net present value estimated to be approximately \$13,750,000 based on current market conditions, which value will be provided as a result of Assured issuing a wrap policy insuring the \$500 million of Senior Lien warrants. Actual value of the wrap insurance policy will be determined at the time of pricing of the new warrants.

**Jefferson County, Alabama
Sewer Revenue Restructuring
Further Amended Financing Plan
Consolidated Cash Flows (\$000's)**

Fiscal Year	Net Revenues				Operating Expenses				CAPEX				Free Cash Flow					
	Sewer Revenue	Misc. Revs to Debt Service	Total Revs to Debt Service	Net Debt Service	Operating Expenses	Misc. Revs to OpEx	Net Operating Expenses	Net Coverage	Net Avail For CAPEX	Total CAPEX Covered	CAPEX Shortfall	Before Deposit	FCF	OpEx Fund Deposit	Net Free Cash Flow	Min OpEx Fund Balance	OpEx Fund Balance	
Total	14,270,401	489,077	14,759,477	6,676,847	4,760,631	368,452	4,392,179	3,690,451	5,014,548	159,347	3,653,194	3,814,542	1,199,998	35,257	35,265	2,702		
2013	160,120	8,097	168,217	59,847	67,179	6,100	61,079	1,79x	47,292	47,292	-	47,292	-	-	-	16,795	16,795	
2014	170,143	8,259	178,402	74,495	64,691	6,222	58,469	1.61x	45,438	64,581	20,274	44,307	1,132	1,134	-	16,593	17,929	
2015	179,496	8,424	187,920	79,434	66,373	6,346	60,027	1.61x	48,459	66,678	19,355	47,323	1,137	1,134	-	17,000	19,063	
2016	189,336	8,593	197,928	84,726	67,999	6,473	61,526	1.61x	51,676	61,597	11,051	50,546	1,130	1,134	-	17,050	20,196	
2017	201,936	8,764	210,701	84,450	68,201	6,603	61,599	1.77x	64,652	72,820	9,306	63,515	1,137	1,134	-	17,553	21,330	
2018	207,963	8,940	216,903	70,495	70,211	6,735	63,476	2.18x	82,931	151,865	70,067	81,798	1,133	1,134	-	17,892	22,464	
2019	214,117	9,119	223,236	70,495	71,566	6,870	64,697	2.25x	88,044	116,205	29,295	86,910	1,133	1,134	-	19,035	23,598	
2020	220,474	9,301	229,775	79,200	76,139	7,007	69,132	2.03x	80,311	116,205	29,295	86,910	1,131	1,134	-	19,598	24,732	
2021	226,993	9,487	236,480	81,002	78,391	7,147	71,244	2.04x	84,235	83,100	-	83,100	1,134	1,134	-	20,199	25,866	
2022	234,609	9,677	244,286	84,252	80,796	7,290	73,506	2.03x	86,521	85,397	-	85,397	1,130	1,134	-	20,827	27,000	
2023	242,526	9,870	252,396	141,219	83,309	7,436	75,873	2.53x	35,304	87,599	-	35,304	-	-	-	22,144	27,000	
2024	250,647	10,068	260,714	145,919	85,902	7,585	78,317	1.25x	36,479	90,598	-	36,479	-	-	-	22,834	27,000	
2025	259,094	10,269	269,363	150,819	88,577	7,736	80,841	1.25x	37,703	93,316	-	37,703	-	-	-	23,546	27,000	
2026	267,844	10,474	278,319	155,894	91,337	7,891	83,446	1.25x	38,979	96,116	-	38,979	-	-	-	24,281	27,000	
2027	276,913	10,684	287,597	161,169	94,186	8,049	86,137	1.25x	40,292	98,999	-	40,292	-	-	-	25,039	27,000	
2028	286,213	10,898	297,111	166,559	97,124	8,210	88,915	1.25x	41,638	101,969	-	41,638	-	-	-	25,821	27,000	
2029	295,851	11,115	306,966	172,149	100,157	8,374	91,783	1.25x	43,035	105,208	-	43,035	-	-	-	26,629	27,000	
2030	305,829	11,338	317,166	177,934	103,286	8,541	94,744	1.25x	44,489	108,179	-	44,489	-	-	-	27,462	27,462	
2031	316,136	11,565	327,700	183,919	106,515	8,712	97,802	1.25x	45,979	111,424	-	45,979	-	-	-	28,321	28,321	
2032	326,778	11,796	338,573	190,094	109,846	8,887	100,960	1.25x	47,520	114,767	-	46,660	462	462	-	29,208	29,208	
2033	337,783	12,032	349,815	196,474	113,285	9,064	104,220	1.25x	49,121	118,210	-	48,234	887	887	-	30,123	30,123	
2034	349,154	12,272	361,427	203,074	116,833	9,246	107,587	1.25x	50,766	121,756	-	49,851	915	915	-	31,068	31,068	
2035	360,955	12,518	373,473	209,929	120,494	9,430	111,063	1.25x	52,481	125,409	-	51,537	945	945	-	32,043	32,043	
2036	373,154	12,768	385,922	217,015	124,272	9,619	114,653	1.25x	54,254	129,171	-	53,279	975	975	-	33,049	33,049	
2037	385,806	13,024	398,830	224,377	128,171	9,811	118,360	1.25x	56,093	133,046	-	55,087	1,006	1,006	-	34,087	34,087	
2038	398,831	13,284	412,115	231,940	132,195	10,008	122,187	1.25x	57,987	137,038	-	56,949	1,038	1,038	-	35,158	35,158	
2039	412,351	13,550	425,901	239,900	136,348	10,208	126,140	1.25x	59,953	141,149	-	58,881	1,071	1,071	-	36,264	36,264	
2040	426,282	13,821	440,102	243,170	140,633	10,412	130,221	1.33x	62,000	145,383	-	60,864	1,106	1,106	-	37,405	37,405	
2041	440,690	14,097	454,787	249,469	145,056	10,620	134,436	1.89x	64,343	149,745	-	63,629	1,141	1,141	-	38,583	38,583	
2042	455,666	14,379	469,995	255,985	149,621	10,833	138,788	1.88x	66,834	154,237	-	66,339	1,178	1,178	-	39,798	39,798	
2043	471,038	14,667	485,704	262,744	153,448	11,049	142,395	1.88x	69,411	158,864	-	69,165	1,216	1,216	-	41,053	41,053	
2044	486,953	14,960	501,913	269,716	157,993	11,270	146,723	1.87x	72,083	163,630	-	71,803	1,255	1,255	-	42,348	42,348	
2045	503,405	15,259	518,664	277,114	164,212	11,496	152,716	1.87x	74,834	168,539	-	74,599	1,336	1,336	-	43,684	43,684	
2046	520,485	15,564	536,049	284,448	169,391	11,726	157,665	1.86x	77,716	173,599	-	77,379	1,379	1,379	-	45,063	45,063	
2047	538,099	15,876	553,975	291,916	174,736	11,960	162,776	1.85x	80,741	178,803	-	79,803	1,424	1,424	-	46,487	46,487	
2048	556,360	16,193	572,553	300,000	180,253	12,199	168,054	1.85x	83,884	184,167	-	83,165	1,469	1,469	-	47,956	47,956	
2049	575,167	16,517	591,684	308,918	185,948	12,443	173,505	1.84x	87,141	189,692	-	86,992	1,517	1,517	-	49,473	49,473	
2050	594,684	16,847	611,531	318,684	191,826	12,692	179,134	1.84x	90,599	195,383	-	89,999	1,566	1,566	-	51,039	51,039	
2051	614,869	17,184	632,053	329,297	197,893	12,946	184,947	1.83x	94,244	201,244	-	93,821	1,611	1,611	-	52,611	52,611	
2052	635,713	17,528	653,241	341,155	204,155	13,201	190,950	1.82x	98,000	207,282	-	96,979	1,656	1,656	-	54,287	54,287	
2053																		

NOTICE OF PUBLIC HEARING

Jefferson County (the "County") hereby gives notice of its intention to conduct a public hearing (the "Public Hearing") for the purpose of receiving comments and questions from any interested member of the public regarding the proposed issuance by the County of its sewer revenue warrants (the "Sewer Warrants") in the maximum aggregate principal amount of \$1,797,000,000. The proceeds of the Sewer Warrants will be used for the purposes provided in the Preliminary Official Statement described below. The Public Hearing will also provide an opportunity for interested members of the public to address questions or comments to the County regarding the authorization for future issuance by the County of its Senior Lien Reserve Fund Reimbursement Warrants and Subordinate Lien Reserve Fund Reimbursement Warrants (the "Reserve Fund Reimbursement Warrants" and, together with the Sewer Warrants, the "Warrants") in the maximum aggregate principal amount at any time outstanding of \$180,000,000. The Reserve Fund Reimbursement Warrants are proposed to be issued by the County only in the event of one or more draws on letters of credit issued to fund debt service payments on the Sewer Warrants in the event there are insufficient revenues from the sewer system available to cover debt service on the Sewer Warrants. The Reserve Fund Reimbursement Warrants would be issued to secure the provider of the letters of credit unless and until such time as the provider is reimbursed by the County from sewer system revenues.

On November 9, 2011, the County filed a petition for relief under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Proceeding") in the United States Bankruptcy Court for the Northern District of Alabama (the "Bankruptcy Court"). The Warrants are proposed to be issued pursuant to the County's Plan of Adjustment (the "Plan of Adjustment") filed with the Bankruptcy Court. Given the circumstances of the Bankruptcy Proceeding and the potential difficulty of offering new debt through a public bidding process in such circumstances, the County has elected to sell the Sewer Warrants by negotiated sale. The interest rates on the Sewer Warrants will be determined by the public offering process managed by Citigroup Global Markets Inc. The interest rates on the Reserve Fund Reimbursement Warrants are currently expected to be tiered fixed rates calculated based upon the maximum rates applicable to current interest Sewer Warrants as determined through the public offering process described above.

The County's Preliminary Official Statement for the Warrants dated November 4, 2013 (the "Preliminary Official Statement") is available on the County's website at the following link: <http://jeffconline.jccal.org/>. This Notice of Public Hearing hereby adopts by reference the information in the Preliminary Official Statement.

NOTICE IS HEREBY GIVEN, that a public hearing concerning the issuance of the Warrants will be held by the County at 9:00 a.m. on November 15, 2013, in the County Commission Chambers in the Jefferson County Courthouse in Birmingham, Alabama, 716 Richard Arrington Jr. Blvd North, Birmingham, AL 35203. All interested members of the public are invited to attend.

The County expects to pay the underwriting firms identified below a total of \$10,346,918 from the proceeds of the Sewer Warrants for the services of such firms in underwriting and sale of the Sewer Warrants.

A list of each person or entity expected to be paid, directly or indirectly, for services rendered in connection with the issuance of the Warrants, and an estimate of the expected purpose and amount of each such payment, is provided below:

Expected Compensation of the Underwriters:

Citigroup Global Markets Inc.	
Sales Commission and Management Fee	\$4,870,587
Merchant Capital L.L.C.	
Sales Commission and Management Fee	\$1,274,568
Drexel Hamilton, LLC	
Sales Commission and Management Fee	\$367,863
First Tuskagee Capital Markets	
Sales Commission and Management Fee	\$322,392
Securities Capital Corporation	
Sales Commission and Management Fee	\$322,392
Jefferies LLC	
Sales Commission	\$215,761
Loop Capital Markets	
Sales Commission	\$287,682
Morgan Stanley	
Sales Commission	\$215,761
RBC Capital Markets	
Sales Commission	\$215,761
Siebert Brandford Shank & Co., LLC	
Sales Commission	\$287,682
TOTAL	\$8,580,448

The sales commission amounts per Underwriter are estimates and cannot be determined prior to sale. Additional firms will be authorized to distribute Sewer Warrants to retail investors and would be compensated out of the total sales commission. Firms authorized to distribute Sewer Warrants to retail investors are those listed above as well as certain firms that have entered into distribution agreements with the Underwriters as set forth in the Preliminary Official Statement including: UBS Financial Services Inc., Deutsche Bank Securities Inc., TMC Bonds L.L.C. and Morgan Stanley Smith Barney L.L.C. Information on any changes to the allocation of the sales commission will be available after the sale of the Sewer Warrants and will be provided in accordance with Ala. Act No. 2010-519 when available.

An additional component of the Underwriters' compensation is an underwriting risk fee. Each Underwriter will receive a fee of \$0.25 per Sewer Warrant purchased by an Underwriter but not subsequently sold. The maximum amount that could be paid to the Underwriters for underwriting risk would be \$434,602. The amount of actual underwriting risk fees, if any, will be available after the sale of the Sewer Warrants and will be provided in accordance with Ala. Act No. 2010-519 when available.

The management fee has been adjusted downward by \$100,000 to pay Greenberg Traurig, LLP for its role as counsel to investors.

Expenses Expected to be Paid by the Underwriters:

Hawkins Defafield & Wood LLP	
Underwriters' Counsel	\$765,000
Lewis & Munday, P.C.	
Underwriters' Counsel	\$600,000
Dalcomp Warrant Processing	\$121,961
Dalcomp/IPREP Order Monitoring	
Warrant Processing	\$28,390
Citigroup Global Markets Inc.	
Intraday Credit Line	\$48,676
CUSIP Global Services	
Warrant Processing	\$1,193
NetRoadShow, Inc.	
Investor Presentation	\$11,250
Miscellaneous Investor	
Marketing/Roadshow	\$90,000
TOTAL	\$1,666,470

Additional Expenses Expected to be Paid by the County from Proceeds:

Fitch, Inc.	
Rating Services	\$125,000
Standard & Poor's Rating Services	
Rating Services	\$263,000
Moody's Investors Service, Inc.	
Rating Services	\$90,000
Assured Guaranty Municipal Corp.	
Warrant Insurance	\$26,816,000
Balch & Bingham LLP	
Bond Counsel	\$950,000
Bradley Arant Boult Cummings LLP	
Disclosure Counsel	\$784,500
Public Resources Advisory Group	
Financial Advisor	\$400,000
Galardi Rothstein Group	
Feasibility Consultant	\$275,000
Brown and Caldwell	
Feasibility Consultant Support	\$325,000
Warren Averett, LLC	
Accounting Services	\$45,000
Wells Fargo Bank, National Assoc.	
Warrant Trustee	\$35,000
Reed Smith LLP	
Warrant Trustee Counsel	\$15,000
ImageMaster, LLC	
Financial Printer	\$10,000
The Bond Buyer	
Publishing/Advertising	\$5,000
The Birmingham News	
Publishing/Advertising	\$580
TOTAL	\$30,139,080

JPMorgan Chase Bank, as letter of credit provider, will be paid a maximum annual fee from sewer system revenues of \$90,000. Nixon Peabody LLP, as counsel to the letter of credit provider, is expected to be paid a fee by JPMorgan Chase Bank. Such fee is unknown at this time and will be provided in accordance with Ala. Act No. 2010-519 when available.

In addition to the costs of issuance paid in connection with the issuance of the Warrants, additional payments have been and will con-

tinue to be made in connection with the Plan of Adjustment. For a description of additional payments made under the Plan of Adjustment, please refer to the Plan of Adjustment at the following link: <http://www.jeffersoncountyrestructuring.com/jeffersoncounty>.
Bham News: November 10, 2013

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	Total	<u>\$8,580,448</u>

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