

**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.)	

FURTHER SUPPLEMENT TO AMENDED PLAN SUPPLEMENT

Jefferson County, Alabama (the “County”) files this further supplement to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013)* [Docket No. 2182] (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the “Plan”).¹ Except as otherwise noted, this further supplement and the exhibits attached hereto are intended to be additive to, rather than a replacement for, the exhibits attached to the *Amended Plan Supplement* filed by the County on November 14, 2013 [Docket No. 2208] (the “Amended Plan Supplement”). This further supplement and the Amended Plan Supplement together constitute the “Plan Supplement” as defined and contemplated by the Plan.

The following chart summarizes the documents that are attached as exhibits hereto and that constitute additional parts of the Plan Supplement:

Exhibit Tab	Description of Document
<u>Exhibit 1</u>	Amended and Restated GO Warrant Indentures, including the forms of the Replacement 2001-B GO Warrants

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to those Defined Terms in the Plan.



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Exhibit Tab	Description of Document
<u>Exhibit 2</u>	Warrant Exchange Agreement, Dated as of December 1, 2013
<u>Exhibit 3</u> ²	New First Supplemental Sewer Warrant Indenture, including the forms of the Reserve Fund Reimbursement Warrants
<u>Exhibit 4</u> ³	Reimbursement Agreement, Dated as of December 1, 2013, including the forms of the Reserve Fund LOC
<u>Exhibit 5</u>	Schedule of Holders of Class 1-A (Sewer Warrant Claims) Insured by One or More Sewer Wrap Policies Issued by Syncora that Did Not Make the Commutation Election as Provided in Section 2.3(a) of the Plan
<u>Exhibit 6</u>	Schedule of Post-Effective Date Sewer Wrap Payment Rights for Holders of Class 1-A (Sewer Warrant Claims) Insured by One or More Sewer Wrap Policies Issued by Assured Guaranty Municipal Corp. that Did Not Make or Were Deemed Not to Make the Commutation Election as Provided in Sections 2.3(a) and 4.7(a) of the Plan

The County reserves the right to amend, supplement, or modify any of the foregoing documents (including all exhibits and attachments thereto and documents referred to in such documents), and to add additional documents to the Plan Supplement, from time to time prior to the Confirmation Hearing or the Effective Date to the extent consistent with the Plan.

Dated this the 19th day of November, 2013.

/s/ J. Patrick Darby

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jay R. Bender

² This document replaces and supersedes the prior draft that was attached as Exhibit 2 to the Amended Plan Supplement.

³ This document replaces and supersedes the prior draft that was attached as Exhibit 3(a) to the Amended Plan Supplement.

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Exhibit 1

**Amended and Restated GO Warrant Indentures,
including the forms of the Replacement 2001-B GO Warrants**

TRUST INDENTURE
(Series 2013-[____] and Series 2013-[____])

between

JEFFERSON COUNTY, ALABAMA

and

UMB BANK, n.a., as trustee

dated as of December 1, 2013

Relating to the issuance of

\$[_____]
JEFFERSON COUNTY, ALABAMA
General Obligation Warrants
Series 2013-[____]

\$[_____]
JEFFERSON COUNTY, ALABAMA
Taxable General Obligation Warrants
Series 2013-[____]

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TRUST INDENTURE (this “Indenture”) between **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the “County”), and **UMB Bank, n.a.**, a national banking association, as trustee (herein called the “Trustee”),

RECITALS

The County and The Bank of New York, as indenture trustee, entered into a Trust Indenture dated as of July 1, 2001 (the “Original Indenture”), pursuant to which the County issued its \$120,000,000 principal amount General Obligation Warrants, Series 2001-B (herein called the “Series 2001-B Warrants”). The Series 2001-B Warrants were issued for the purpose of refunding certain previously issued and outstanding general obligation warrants of the County. The Trustee succeeded The Bank of New York as indenture trustee under the Original Indenture.

The County and The Bank of New York, as indenture trustee, entered into a Standby Warrant Purchase Agreement dated as of July 1, 2001, as amended (herein called the “Standby Purchase Agreement”), with JPMorgan Chase Bank, N.A. (formerly known as Morgan Guaranty Trust Company of New York and herein called “JPMorgan”) and Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale and herein called “BayernLB”), acting through its New York Branch. In the Standby Purchase Agreement, JPMorgan and BayernLB agreed to purchase any Series 2001-B Warrants not remarketed after having been tendered for purchase pursuant to the mandatory or optional tender provisions of the Original Indenture. As a result of the operation of the Standby Purchase Agreement and other open market purchases (by BayernLB), JPMorgan and BayernLB currently hold the entire aggregate principal amount of the outstanding Series 2001-B Warrants.

On November 9, 2011 (the “Petition Date”), the County filed a voluntary petition for adjustment of its debts under Chapter 9 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”). On May 13, 2013, the County, the Trustee, JPMorgan and BayernLB entered into a Plan Support Agreement (the “PSA”) which, among other things, described the treatment of the Series 2001-B Warrants that, together with certain other terms and conditions as set forth therein, would constitute an “acceptable plan” for the purposes of the PSA. On July 29, 2013, the County filed its Chapter 9 Plan of Adjustment for Jefferson County, Alabama (as amended, supplemented or modified, the “Plan of Adjustment”). The Plan of Adjustment is an “acceptable plan” as such term is used in the PSA. Consistent with their agreements under the PSA, JPMorgan and BayernLB timely voted to accept the Plan of Adjustment. The Bankruptcy Court confirmed the County’s Plan of Adjustment by **[Order]** dated , 2013. The Effective Date (as such term is defined in the Plan of Adjustment) is , 2013.

The Plan of Adjustment provides, *inter alia*, that JPMorgan and BayernLB will exchange all of their Series 2001-B Warrants for their respective portion of replacement warrants to be issued in four series under the Plan of Adjustment, governed by new trust indentures, and named General Obligation Warrants, Series 2013-A (the “Series 2013-A Warrants”), Taxable General Obligation Warrants, Series 2013-B (the “Series 2013-B Warrants”), General Obligation Warrants, Series 2013-C (the “Series 2013-C Warrants”) and Taxable General Obligation Warrants, Series 2013-D (the “Series 2013-D Warrants” and, together with the Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants the “Series 2013 Warrants”).

The Series 2013 Warrants have been duly authorized by the County and will be issued and delivered in exchange for the Series 2001-B Warrants, all in accordance with the provisions of the Confirmed Plan of Adjustment (as hereinafter defined), this Indenture, and the Series 2013- Indenture (as hereinafter defined). Upon the occurrence of the exchange of the Series 2001-B Warrants for the

Series 2013 Warrants, all of the Series 2001-B Warrants will be cancelled by the Trustee, shall be deemed "Fully Paid" under the terms of the Original Indenture, and shall no longer constitute an indebtedness of the County. The Original Indenture shall be superseded and replaced in its entirety by this Indenture and the Series 2013-[] Indenture. Section 1145 of the Bankruptcy Code applies to the exchange of the Series 2001-B Warrants for the Series 2013 Warrants pursuant to the Plan of Adjustment.

The County and the Trustee have entered into this Indenture to establish the terms and conditions pursuant to which the Series 2013-[] Warrants and Series 2013-[] Warrants will be secured, the rights of the Holders of the Series 2013-[] Warrants and Series 2013-[] Warrants, and the obligations of the Trustee with respect thereto. The County and the Trustee have entered into a separate trust indenture (the "Series 2013-[] Indenture"), dated as of even date herewith, to establish the terms and conditions pursuant to which the Series 2013-[] Warrants and Series 2013-[] Warrants will be secured, the rights of the Holders of the Series 2013-[] Warrants and Series 2013-[] Warrants, and the obligations of the trustee for the Series 2013-[] Warrants and Series 2013-[] Warrants. *[As appropriate for the Series 2013-A/B Warrants or Series 2013-C/D Warrants.]*

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of the Series 2013 Warrants and in the execution and delivery of this Indenture, have happened, exist and have been performed (i) so as to make the Series 2013 Warrants, when executed, authenticated and delivered, the legal, valid, binding, and enforceable obligations of the County, and (ii) so as to make this Indenture and the Series 2013-[] Indenture legal, valid, binding, and enforceable instruments.

The Trustee has heretofore accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, THIS INDENTURE

WITNESSETH:

For and in consideration of the premises and of the exchange of the Bank's Series 2001-B Warrants for the Series 2013-[] Warrants and Series 2013-[] Warrants, and of the acceptance of the Series 2013-[] Warrants and Series 2013-[] Warrants by the Holders thereof from time to time, and the acceptance by the Trustee of the trusts hereby created, and to declare the terms and conditions upon and subject to which the Series 2013-[] Warrants and Series 2013-[] Warrants are, and are intended, to be issued, held, secured and enforced, and to secure the payment of the principal of and the interest on the Series 2013-[] Warrants and Series 2013-[] Warrants, and to secure the performance and observance of all of the covenants and conditions therein and herein contained, the County has executed and delivered this Indenture for the equal and proportionate benefit and security, to the extent herein provided, of all present and future Holders of the Series 2013-[] Warrants and Series 2013-[] Warrants, and for the security and the enforcement of the payment of the principal of and interest on the Series 2013-[] Warrants and Series 2013-[] Warrants when payable.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.1 Definitions

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

(1) The terms defined in this Article have the meanings assigned to them in this Article. Singular terms shall include the plural as well as the singular, and vice versa.

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

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

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

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

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

“Act of Bankruptcy of the County” shall mean the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by the County under any bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, this definition shall not be deemed to include the Bankruptcy Case.

“Affiliate” of any specified person shall mean any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, “control”, when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Authorized Denominations” shall mean \$5,000 or any integral multiple thereof.

“Authorized Officer” shall mean the President of the County Commission, the County Manager, the Chief Financial Officer of the County, or any person or persons designated by the County by resolution to act on behalf of the County under this Indenture. The designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the County by an officer of the County.

“Bank” means [_____], a holder of the Series 2001-B Warrants.

“Bankruptcy Case” shall mean *In re Jefferson County, Alabama*, Case No. 11-05736-TBB9, adjudicated in the Bankruptcy Court.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

“Book Entry System” shall mean the electronic system maintained by DTC for the ownership, transfer, exchange and payment of debt obligations.

“Business Day” shall mean any day other than a Saturday, a Sunday, a day on which banking institutions are required or authorized to remain closed in New York, New York, or in any city where the Trustee maintains its place of business for performance of its obligations under this Indenture, or a day on which the New York Stock Exchange is closed.

“Confirmed Plan of Adjustment” shall mean the County’s chapter 9 plan of adjustment, as confirmed by order of the Bankruptcy Court (Docket No. [____]) in the Bankruptcy Case.

“Costs of Issuance” shall mean the expenses incurred by the County in connection with the issuance of the Series 2013-[____] Warrants and Series 2013-[____] Warrants, including legal, consulting, accounting and Trustee fees.

“Costs of Issuance Account” shall mean the fund established pursuant to *Section 7.2*.

“County” shall mean Jefferson County, Alabama, a political subdivision of the State.

“Debt Service” shall mean the principal, premium (if any) and interest payable on the Series 2013-[____] Warrants and Series 2013-[____] Warrants.

“Debt Service Fund” shall mean the fund established pursuant to *Section 7.1*.

“Defaulted Interest” shall have the meaning stated in *Section 5.3(b)*.

“DTC” shall mean The Depository Trust Company.

“Enabling Law” shall mean Title 11, Chapter 28 (Section 11-28-1 *et seq.*) of the Code of Alabama 1975.

“Event of Default” under this Indenture shall have the meaning stated in *Section 11.1*. An Event of Default shall “exist” if an Event of Default shall have occurred and be continuing.

“Favorable Tax Opinion” shall mean an Opinion of Counsel acceptable to the Trustee and the County stating in effect that the proposed action, together with any other changes with respect to the Series 2013-[____] Warrants made or to be made in connection with such action, will not cause interest on the Series 2013-[____] Warrants to become Taxable.

“Federal Securities” shall mean direct obligations of, or obligations the full and timely payment of which is guaranteed by, the United States of America, including unit investment trusts and mutual funds that invest solely in such obligations.

“Financing Participants” shall mean the County, the Bank and the Trustee.

“Fiscal Year” shall mean the fiscal year of the County.

“Fitch” shall mean Fitch Ratings.

“Fully Paid”, when used with respect to Indenture Indebtedness, shall have the meaning stated in *Section 14.1(b)*.

“Holder”, when used with respect to any Series 2013-[] Warrant or Series 2013-[] Warrant, shall mean the person in whose name such Series 2013-[] Warrant or Series 2013-[] Warrant is registered in the appropriate Warrant Register.

“Indenture Indebtedness” shall mean all indebtedness of the County secured by this Indenture, including, without limitation, all Debt Service on the Series 2013-[] Warrants and Series 2013-[] Warrants.

“Independent”, when used with respect to any person, shall mean a person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in any Financing Participant or in any obligor with respect to the Series 2013-[] Warrants or Series 2013-[] Warrants or in any Affiliate of any Financing Participant or of any such obligor, and (iii) is not connected with any Financing Participant or any such obligor as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

“Interest Payment Date”, when used with respect to any installment of interest on a Series 2013-[] Warrant or Series 2013-[] Warrant, shall mean the date specified in *Section 4.1(h)* as the fixed date on which such installment of interest is due and payable.

“Internal Revenue Code” shall mean the Internal Revenue Code of 1986, as amended.

“Letter of Representations” shall have the meaning stated in *Section 5.8(a)*.

“Maturity”, when used with respect to any Series 2013-[] Warrant or Series 2013-[] Warrant, shall mean the date specified in *Section 4.1(c)* on which principal of any such Series 2013-[] Warrant or Series 2013-[] Warrant is due and payable.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Office of the Trustee” shall mean the office of the Trustee for hand delivery of notices and other documents, as specified pursuant to *Section 15.1*.

“Opinion of Counsel” shall mean an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants.

“outstanding”, when used with respect to Series 2013-[] Warrants or Series 2013-[] Warrants, shall mean, as of the date of determination, all Series 2013-[] Warrants or Series 2013-[] Warrants, as appropriate, authenticated and delivered under this Indenture, except:

(1) Series 2013-[] Warrants or Series 2013-[] Warrants cancelled by the Trustee or delivered to the Trustee for cancellation,

(2) Series 2013-[] Warrants or Series 2013-[] Warrants for whose payment or redemption money in the necessary amount has been deposited with the Trustee in trust for the Holders of such Series 2013-[] Warrants or Series 2013-[] Warrants or for which provision for payment has been made in accordance with *Section 14.2* hereof, provided that, if such Series 2013-[] Warrants or Series 2013-[] Warrants are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made, and

(3) Series 2013-[] Warrants or Series 2013-[] Warrants in exchange for or in lieu of which other Series 2013-[] Warrants or Series 2013-[] Warrants, as appropriate, have been authenticated and delivered under this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Series 2013-[] Warrants or Series 2013-[] Warrants outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Series 2013-[] Warrants and Series 2013-[] Warrants owned by the County shall be disregarded and deemed not to be outstanding. Series 2013-[] Warrants and Series 2013-[] Warrants owned by the County which have been pledged in good faith may be regarded as outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Series 2013-[] Warrants or Series 2013-[] Warrants.

"Post-Default Rate" shall mean (i) when used with respect to any Event of Default, the interest rate specified in **Section 4.1(e)** plus 1.00%, and (ii) when used with respect to all other payments due under this Indenture, a variable rate equal to the Trustee's prime rate plus 1%, computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed.

"Qualified Investments" means:

- (a) Federal Securities,
- (b) bonds, debentures, notes or other obligations issued or guaranteed by any federal agency if such obligations are (i) backed by the full faith and credit of the United States of America or (ii) rated by at least one Rating Agency in one of the three highest rating categories assigned by such Rating Agency,
- (c) money market funds rated by at least one Rating Agency in one of the three highest rating categories assigned by such Rating Agency,
- (d) certificates of deposit or other bank deposits that are described in one of the following clauses: (i) certificates of deposit or bank deposits issued by, or made with, a bank whose unsecured, long-term obligations are rated by at least one Rating Agency in one of the three highest rating categories assigned by such Rating Agency, or (ii) certificates of deposit or bank deposits secured at all times by collateral described in paragraphs (a) and (b) above that is held by the Trustee or by a third party custodian acceptable to the County and the Trustee with a perfected first security interest in the collateral,
- (e) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation,
- (f) investment agreements, including guaranteed investment contracts, repurchase agreements and forward purchase agreements, provided that (i) any securities purchased or held pursuant to such agreement are otherwise Qualified Investments under this Indenture, (ii) the counterparty's long-term debt obligations are rated by at least one Rating Agency in one of the three highest rating categories assigned by such Rating Agency, and (iii) the securities, if purchased, are owned by the County or the Trustee and are held by the Trustee or by a third party custodian acceptable to the County and the Trustee or, if held as collateral, are held by the Trustee or a third party custodian acceptable to the County and the Trustee with a perfected first security interest in such collateral,
- (g) commercial paper rated, at the time of purchase, not less than "Prime-1" by Moody's, not less than "A-1" by S&P or not less than "F-1" by Fitch, and

(h) bonds, warrants or notes issued by any state, county or municipality which are rated by at least one Rating Agency in one of the three highest rating categories assigned by such Rating Agency.

For purposes of this definition, except for commercial paper under (g) above, rating categories are determined without regard to qualifiers, such as “+” or “1” (for example, ratings of “A-1”, “A-2”, “A ” and “A+” are considered part of the same rating category).

“Rating Agency” shall mean Moody’s, S&P, Fitch and any other nationally recognized securities rating agency.

“Regular Record Date” shall mean the 15th day (whether or not a Business Day) of the month next preceding the relevant Interest Payment Date.

“S&P” shall mean Standard & Poor’s Financial Services LLC.

“Series 2001-B Warrants” shall mean the County’s General Obligation Warrants, Series 2001-B, issued pursuant to the Original Indenture.

“Series 2013 Warrants” shall mean, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants and the Series 2013-D Warrants.

“Series 2013-A/B Indenture” means this Trust Indenture as it may be amended and supplemented from time to time. **[Reverse for Series 2013-A Warrants and Series 2013-B Warrants]**

“Series 2013-A Warrants” shall mean the County’s General Obligation Warrants, Series 2013-A, issued [hereunder] [under the Series 2013-A/B Indenture].

“Series 2013-B Warrants” shall mean the County’s Taxable General Obligation Warrants, Series 2013-B, issued [hereunder] [under the Series 2013-A/B Indenture].

“Series 2013-C/D Indenture” means that certain trust indenture dated as of December 1, 2013, pursuant to which the Series 2013-C Warrants and Series 2013-D Warrants are secured. **[Reverse for Series 2013-A Warrants and Series 2013-B Warrants]**

“Series 2013-C Warrants” shall mean the County’s General Obligation Warrants, Series 2013-C, issued [hereunder] [under the Series 2013-C/D Indenture].

“Series 2013-D Warrants” shall mean the County’s Taxable General Obligation Warrants, Series 2013-D, issued [hereunder] [under the Series 2013-C/D Indenture].

“Special Funds” shall mean the Debt Service Fund and any other fund or account established pursuant to this Indenture, excluding the Costs of Issuance Account established pursuant to **Section 7.2** and any clearing account established pursuant to **Section 7.4**.

“Special Record Date” for the payment of any Defaulted Interest on the Series 2013-[__] Warrants or Series 2013-[__] Warrants means a date fixed by the Trustee pursuant to **Section 5.3(b)**.

“State” shall mean the State of Alabama.

“Tax Certificate and Agreement” means that certain Tax Certificate and Agreement entered into by the County in connection with the issuance of the Series 2013-A Warrants and Series 2013-C Warrants.

“Taxable” shall mean that for purposes of federal income taxation interest on the Series 2013-[] Warrants is includible in the gross income of any Holder thereof for any reason. Interest on the Series 2013-[] Warrants shall not be deemed “Taxable” because interest is includible in any calculation of income for purposes of an alternative minimum tax, a foreign branch profits tax or any other type of taxation other than the regular tax imposed on gross income.

“Trust Estate” shall have the meaning attributed to that term in *Section 2.1*.

“Trustee” shall mean UMB Bank, n.a., in its capacity as trustee under the Indenture, and its successors as such trustee.

“Warrant Exchange Agreement” shall mean that certain Warrant Exchange Agreement between the County, the Bank and the Trustee, dated as of December 1, 2013, entered into in connection with the issuance of the Series 2013-[] Warrants and Series 2013-[] Warrants.

“Warrant Payment Date” shall mean, with respect to the Series 2013-[] Warrants or Series 2013-[], as appropriate, each date (including any date fixed for redemption of such Warrants) on which Debt Service is payable on such Warrants.

“Warrant Register” shall mean the register or registers for the registration and transfer of Series 2013-[] Warrants and Series 2013-[] Warrants maintained by the County pursuant to *Section 5.1(a)*.

“Warrantholder”, when used with respect to any Series 2013-[] Warrant or Series 2013-[] Warrant, shall mean the person in whose name such Warrant is registered in the appropriate Warrant Register.

“Warrants” shall mean the Series 2013-[] Warrants and Series 2013-[] Warrants issued hereunder, collectively.

“Wire Transfer” shall mean payment by wire transfer to an account maintained at a bank located in the United States; provided, however, that any person entitled to receive any payment due under this Indenture by wire transfer must deliver adequate written instructions for such payment to the Trustee.

SECTION 1.2 Ownership of Warrants; Effect of Action by Warrantholders

(a) The ownership of Series 2013-[] Warrants and Series 2013-[] Warrants shall be proved by the Warrant Register for such series.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Series 2013-[] Warrant or Series 2013-[] Warrant shall bind every future Holder of the same Series 2013-[] Warrant or Series 2013-[] Warrant and the Holder of every Series 2013-[] Warrant or Series 2013-[] Warrant issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the County in reliance thereon, whether or not notation of such action is made upon such Series 2013-[] Warrant or Series 2013-[] Warrant.

SECTION 1.3 Effect of Headings and Table of Contents

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

SECTION 1.4 Date of Indenture

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

SECTION 1.5 Separability Clause

If any provision in this Indenture, or in the Series 2013-[] Warrants or Series 2013-[] Warrants shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.6 Governing Law

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

SECTION 1.7 Designation of Time for Performance

Except as otherwise expressly provided herein, any reference in this Indenture to the time of day shall mean the time of day in Birmingham, Alabama.

SECTION 1.8 Counterparts

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

ARTICLE II

GRANTING CLAUSES

SECTION 2.1 Granting Clauses

To secure the payment of Debt Service on the Series 2013-[] Warrants and Series 2013-[] Warrants and all other Indenture Indebtedness and the performance of the covenants herein and in the Series 2013-[] Warrants and Series 2013-[] Warrants contained, and to declare the terms and conditions on which the Series 2013-[] Warrants and Series 2013-[] Warrants are secured, and in consideration of the premises and of the exchange of the Bank's Series 2001-B Warrants for the Series 2013-[] Warrants and Series 2013-[] Warrants pursuant to the Plan of Adjustment, and of the acceptance of the Series 2013-[] Warrants and Series 2013-[] Warrants by the Holders thereof, the County by these presents does hereby assign, transfer and pledge to the Trustee all and singular the following described property:

I

Special Funds

Money and investments from time to time on deposit in, or forming a part of, the Special Funds, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

II

Other Property

Any and all property of every kind or description which may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Indenture as additional security by the County or anyone on its part or with its consent; and the Trustee is hereby authorized to receive any and all such property as and for additional security for the obligations secured hereby and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD all said property (herein collectively called the "Trust Estate") unto the Trustee and its successors and assigns;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2013-[] Warrants and Series 2013-[] Warrants (without any priority of any such (i) Series 2013-[] Warrant over any other such Series 2013-[] Warrant, (ii) Series 2013-[] Warrant over any other such Series 2013-[] Warrant or (iii) Series 2013-[] Warrant over any Series 2013-[other series under indenture_] Warrant or vice versa) as herein provided.

ARTICLE III

SOURCE OF PAYMENT

SECTION 3.1 General Obligation

The indebtedness evidenced and ordered paid by the Series 2013-[] Warrants and Series 2013-[] Warrants shall be a general obligation of the County for the payment of Debt Service on which the full faith and credit of the County are hereby irrevocably pledged, pro rata and without preference or priority of any (i) Series 2013-[] Warrant over any other such Series 2013-[] Warrant, (ii) Series 2013-[] Warrant over any other such Series 2013-[] Warrant or (iii) Series 2013-[] Warrant over any Series 2013-[other series under indenture_] Warrant or vice versa.

ARTICLE IV

THE WARRANTS

SECTION 4.1 Specific Title and Terms

(a) **Title and Amount.** The Series 2013-[] Warrants shall be entitled "General Obligation Warrants, Series 2013-[]". The Series 2013-[] Warrants shall be entitled "Taxable General Obligation Warrants, Series 2013-[]". The aggregate principal amount of the Series 2013-[] Warrants which may be authenticated and delivered and outstanding is limited to \$[_____]. The

aggregate principal amount of the Series 2013-[] Warrants which may be authenticated and delivered and outstanding is limited to \$[].

(b) **Form and Number.** The Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-[] Warrants and Series 2013-[] Warrants shall each be numbered separately from R-1 upward.

(c) **Maturity.** The Series 2013-[] Warrants shall mature on April 1, 2021. The Series 2013-[] Warrants shall mature on April 1, 2017.

(d) **Date.** The Series 2013-[] Warrants and Series 2013-[] Warrants shall be dated as of their date of initial delivery.

(e) **Interest Rates.** The Series 2013-[] Warrants shall bear interest at the rate of []% per annum. The Series 2013-[] Warrants shall bear interest at the rate of []% per annum.

(f) **Computation of Interest Accrual.** The Warrants of each series shall bear interest from their date, or the most recent date to which interest on such series of Warrants has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(g) **Overdue Interest.** Interest shall be payable on overdue principal on the Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Warrants at the Post-Default Rate.

(h) **Interest Payment Dates.** Interest shall be payable in arrears on April 1 and October 1 in each year (each such date being herein called an "Interest Payment Date"), beginning April 1, 2014, and at Maturity.

(i) **Method of Payment.** Payment of interest on the Warrants shall be made by check mailed on the Interest Payment Date or, at the request of any Holder of Warrants in an aggregate principal amount of not less than \$1,000,000 accompanied by adequate written instructions, by Wire Transfer. Payment of principal (and redemption premium, if applicable) on any Warrant shall be made by check or, at the request of any Holder of Warrants in an aggregate principal amount of not less than \$1,000,000 accompanied by adequate written instructions, by Wire Transfer, but under either method only after such Warrant is presented at the Office of the Trustee.

SECTION 4.2 Forms of Warrants

The Series 2013-[] Warrants, Series 2013-[] Warrants and the certificates of authentication applicable thereto shall be substantially as set forth in *Exhibit A* and *Exhibit B* with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

SECTION 4.3 Execution, Authentication, Delivery and Dating

(a) The Warrants shall be executed on behalf of the County by the President of its governing body under its official seal reproduced thereon and attested by the Minute Clerk of its governing body. The Warrants shall be acknowledged as an obligation of the County by the County Treasurer. The signature of any of these officers on the Warrants may be manual or, to the extent permitted by law, facsimile. Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the County shall bind the County, notwithstanding that such individuals or any of them

shall have ceased to hold such offices prior to the authentication and delivery of such Warrants or shall not have held such offices at the date of such Warrants.

(b) At any time and from time to time after the execution and delivery of this Indenture, the County may deliver Warrants executed by the County to the Trustee for authentication and the Trustee shall authenticate and deliver such Warrants as provided in this Indenture and not otherwise.

(c) No Warrant shall be secured by, or be entitled to, any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Warrant shall be conclusive evidence, and the only evidence, that such Warrant has been duly authenticated and delivered hereunder.

SECTION 4.4 Authentication and Delivery of Warrants to the Bank

Upon the execution and delivery of this Indenture, Series 2013-[] Warrants and Series 2013-[] Warrants in the aggregate principal amounts authorized in **Section 4.1** shall be executed and authenticated as provided in **Section 4.3**. The Warrants shall thereupon be delivered by the Trustee to the Bank in exchange for the Bank's Series 2001-B Warrants. Pursuant to the Plan of Adjustment, the Series 2001-B Warrants surrendered by the Bank in exchange for the Warrants shall be cancelled by the Trustee, shall be deemed "Fully Paid" under the terms of the Original Indenture, and shall no longer constitute an indebtedness of the County. Upon such exchange pursuant to the Plan of Adjustment, the Original Indenture, the Standby Purchase Agreement and all documents related to the Series 2001-B Warrants shall be deemed cancelled and of no further force and effect.

ARTICLE V

REGISTRATION, EXCHANGE AND GENERAL PROVISIONS REGARDING THE WARRANTS

SECTION 5.1 Registration, Transfer and Exchange

(a) The County shall cause to be kept at the Office of the Trustee a register (herein sometimes referred to as the "Warrant Register") for each series of Warrants in which, subject to such reasonable regulations as it may prescribe, the County shall provide for the registration of the Warrants and registration of transfers of Warrants entitled to be registered or transferred as herein provided. The Trustee is hereby appointed as the County's agent for the purpose of registering Warrants and transfers of Warrants as herein provided.

(b) Upon surrender for transfer of any Warrant at the Office of the Trustee, the County shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Warrants of the same series, Maturity, and interest rate, of any Authorized Denominations and of a like aggregate principal amount.

(c) At the option of the Holder, Warrants may be exchanged for other Warrants of the same series, Maturity and interest rate, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at the Office of the Trustee. Whenever any Warrants are so surrendered for exchange, the County shall execute, and the Trustee shall authenticate and deliver, the Warrants which the Warrantholder making the exchange is entitled to receive.

(d) All Warrants surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled by the Trustee.

(e) All Warrants issued upon any transfer or exchange of Warrants shall be the legal, valid, binding, and enforceable obligations of the County and entitled to the same security and benefits under this Indenture as the Warrants surrendered upon such transfer or exchange.

(f) Every Warrant presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer or exchange.

(g) No service charge shall be made for any transfer or exchange of any Warrants, but the County may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of such Warrants.

(h) The Trustee shall not be required (i) to transfer or exchange any Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any Warrants of such series and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Warrant so selected for redemption in whole or in part.

SECTION 5.2 Mutilated, Destroyed, Lost and Stolen Warrants

(a) If (i) any mutilated Warrant is surrendered to the Trustee, or the County and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Warrant, and (ii) there is delivered to the County and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the County or the Trustee that such Warrant has been acquired by a bona fide purchaser, the County shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Warrant, a new Warrant of like series, Maturity and principal amount, bearing a number not contemporaneously outstanding.

(b) Upon the issuance of any new Warrant under this section, the County may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

(c) Every new Warrant issued pursuant to this section in lieu of any mutilated, destroyed, lost or stolen Warrant shall constitute an original additional contractual obligation of the County, whether or not the mutilated, destroyed, lost or stolen Warrant shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other outstanding Warrants.

(d) The provisions of this section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Warrants.

SECTION 5.3 Payment of Interest on Warrants; Interest Rights Preserved

(a) Interest on any Warrant which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Warrant is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(b) Any interest on any Warrant which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the County to the persons in whose names such Warrants are registered at the close of business on a special record date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The County shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each such Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the County shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Warrant to receive payment of Defaulted Interest at his address as it appears in the appropriate Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names such Warrants are registered on such Special Record Date.

(c) Subject to the foregoing provisions of this section, each Warrant delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Warrant and each such Warrant shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 5.4 Persons Deemed Owners

The County and the Trustee may treat the person in whose name any Warrant is registered as the owner of such Warrant for the purpose of receiving payment of Debt Service on such Warrant (subject to *Section 5.3*) and for all other purposes whatsoever, whether or not such Warrant is overdue, and, to the extent permitted by law, the County and the Trustee shall not be affected by notice to the contrary.

SECTION 5.5 Trustee

The Debt Service on the Warrants shall, except as otherwise provided herein, be payable at the Office of the Trustee.

SECTION 5.6 Payments Due on Non-Business Days; Notice of Receipt of Funds

If any payment on the Warrants is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

SECTION 5.7 Cancellation

All Warrants surrendered for payment, redemption, transfer or exchange shall be promptly cancelled by the Trustee. No Warrant shall be authenticated in lieu of or in exchange for any Warrant cancelled as provided in this section, except as expressly provided by this Indenture.

SECTION 5.8 Book Entry System for Warrants

(a) The registration and payment of the Warrants shall be made pursuant to the Book Entry System (the "Book Entry System") administered by DTC in accordance with the Letter of Representations delivered to the Trustee (the "Letter of Representations") until such Book Entry System is terminated pursuant to *Section 5.8(c)*.

(b) While the Warrants of a series are in the Book Entry System, the following provisions shall apply for purposes of this Indenture and shall supersede any contrary provisions of this Indenture:

(1) Notwithstanding the fact that DTC may hold a single physical certificate for each stated maturity of such series of Warrants, for purposes of the Book Entry System, the terms "Series 2013-[] Warrant" and/or "Series 2013-[] Warrant," as applicable, shall mean each separate Security (as such term is defined in the Letter of Representations) issued pursuant to the Book Entry System.

(2) The terms and limitations of this Indenture with respect to each separate Series 2013-[] Warrant and/or "Series 2013-[] Warrant," as appropriate, shall be applicable to each separate Security registered under the Book Entry System.

(3) All notices under this Indenture to Holders of such series of Warrants shall be delivered to DTC for distribution by DTC in accordance with the provisions of the Letter of Representations.

(4) All payments of Debt Service on the Warrants of such series shall be made by the Trustee to DTC and shall be made by DTC to the Participants (as such term is defined in the Letter of Representations) as provided in the Letter of Representations. All such payments shall be valid and effective fully to satisfy and discharge the County's (as such term is defined in the Letter of Representations) obligations with respect to such payments.

(c) If the County and the Trustee concur that it would be in the best interests of the Holders of the Series 2013-[] Warrants and/or "Series 2013-[] Warrants," as applicable, for the Book Entry System to be discontinued with respect to such series of Warrants (in whole or in part), such Book Entry System shall be discontinued (in whole or in part) in accordance with the provisions of the Letter of Representations.

(d) If the Book Entry System is discontinued, except as otherwise provided in this *Section 5.8* with respect to Wire Transfer rights, payment of interest on the Warrants no longer subject to the Book Entry System that is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the appropriate Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and redemption premium, if any, on) the Warrants no longer subject to the Book Entry System and payment of accrued interest on such Warrants due upon redemption

on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(e) If the Book-Entry System is discontinued, upon the written request of any Holder of Warrants in an aggregate principal amount of not less than \$1,000,000, the Trustee will make payment of the Debt Service due on such Warrants by Wire Transfer; provided that:

(1) such request contains adequate instructions for the method of payment, and

(2) payment of the principal of (and redemption premium, if any, on) such Warrants and payment of the accrued interest on such Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Warrants to the Trustee.

ARTICLE VI

REDEMPTION OF WARRANTS

SECTION 6.1 When Warrants Are Subject to Redemption

The Warrants shall be subject to redemption prior to Maturity as follows:

(a) **Optional Redemption.** The Series 2013-[A/C] Warrants may be redeemed at the option of the County, on the dates and for the redemption prices (expressed as a percentage of the principal amount redeemed) equal to the applicable redemption price set forth below, plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
[____], 2018 through [____], 2019	102%
[____], 2019 through [____], 2020	101%
[____], 2020 and thereafter	100%

(b) [CHOOSE ONE] **[Scheduled Mandatory Redemption of Series 2013-A Warrants and Series 2013-B Warrants.** The Series 2013-A Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$4,995,000	2018	\$6,020,000
2015	5,280,000	2019	6,275,000
2016	5,510,000	2020	6,560,000
2017	5,760,000		

\$6,845,000 of the Series 2013-A Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in **Section 6.3** hereof, Series 2013-A Warrants

or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-A Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-A Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-A Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-A Warrants previously redeemed (other than Series 2013-A Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

The Series 2013-B Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
2014	\$1,405,000
2015	1,410,000
2016	1,405,000

\$1,410,000 of the Series 2013-B Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in **Section 6.3** hereof, Series 2013-B Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-B Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-B Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-B Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-B Warrants previously redeemed (other than Series 2013-B Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-A Warrants and Series 2013-B Warrants shall be redeemed in accordance with the mandatory redemption provisions of such Warrants without any direction from or consent by the County.]

[OR] **[Scheduled Mandatory Redemption of Series 2013-C Warrants and Series 2013-D Warrants.** The Series 2013-C Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$4,925,000	2018	\$5,930,000
2015	5,205,000	2019	6,190,000
2016	5,430,000	2020	6,465,000
2017	5,675,000		

\$6,755,000 of the Series 2013-C Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in **Section 6.3** hereof, Series 2013-C Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-C Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-C Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-C Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-C Warrants previously redeemed (other than Series 2013-C Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

The Series 2013-D Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
2014	\$1,385,000
2015	1,390,000
2016	1,385,000

\$1,390,000 of the Series 2013-D Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in **Section 6.3** hereof, Series 2013-D Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-D Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-D Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-D Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-D Warrants previously redeemed (other than Series 2013-D Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-C Warrants and Series 2013-D Warrants shall be redeemed in accordance with the mandatory redemption provisions of such Warrants without any direction from or consent by the County.]

SECTION 6.2 Election to Redeem; Notice to Trustee

The election of the County to exercise any right of optional redemption shall be evidenced by notice to the Trustee from an Authorized Officer. The notice of election to redeem must be received by the Trustee at least 60 days prior to the date fixed for redemption (unless a shorter notice is acceptable to the Trustee) and shall specify (i) the series and principal amount of Warrants to be redeemed (if less than all Warrants of such series outstanding are to be redeemed pursuant to such option) and (ii) the redemption date, subject to the provisions of this Indenture with respect to the permitted period for such redemption.

SECTION 6.3 Selection by Trustee of Warrants to be Redeemed

(a) If less than all Warrants of a series outstanding are to be redeemed, the particular Warrants of such series to be redeemed shall be selected by the Trustee by lot or by such other method as the Trustee shall deem fair and appropriate.

(b) The Trustee shall promptly notify the County of the Warrants selected for redemption and, in the case of any Warrants selected for partial redemption, the principal amount thereof to be redeemed.

(c) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Warrants shall relate, in the case of any Warrants of a series redeemed or to be redeemed only in part, to the portion of the principal amount of such Warrants which have been or are to be redeemed.

SECTION 6.4 Notice of Redemption

(a) Unless waived by the Holders of all Warrants then outstanding to be redeemed, notice of redemption shall be given by registered or certified mail, mailed not less than 30 nor more than 60 days prior to the redemption date, to each Holder of Warrants to be redeemed, at his address appearing in the appropriate Warrant Register.

(b) All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) the principal amount of Warrants of such series to be redeemed, and, if less than all outstanding Warrants of such series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of such Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and

(5) the place or places where the Warrants to be redeemed are to be surrendered for payment of the redemption price.

(c) Notice of redemption of Warrants to be redeemed at the option of the County shall be given by the Trustee in the name and at the expense of the County. Notice of redemption of Warrants in accordance with the mandatory redemption provisions of the Warrants shall be given by the Trustee in the name and at the expense of the County.

SECTION 6.5 Deposit of Redemption Price

On the Business Day prior to the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Warrants which are to be redeemed on that date shall be deposited with the Trustee. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

SECTION 6.6 Warrants Payable on Redemption Date

(a) Notice of redemption (if required) having been given as aforesaid, the Warrants to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Warrants shall cease to bear interest. Upon surrender of any such Warrant for redemption in accordance with said notice, such Warrant shall be paid by the County at the redemption price. Installments of interest due on or prior to the redemption date shall be payable to the Holders of the Warrants registered as such on the relevant record dates according to the terms of such Warrants and the provisions of **Section 5.3**.

(b) If any Warrant called for redemption shall not be paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the Post-Default Rate.

SECTION 6.7 Warrants Redeemed in Part

Unless otherwise provided herein, any Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the County shall execute and the Trustee shall authenticate and deliver to the Holder of such Warrant, without service charge, a new Warrant or Warrants of the same series, Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Warrant surrendered.

SECTION 6.8 Purchase or Tender for Cancellation

The County may, at its sole option, purchase any Warrants made available to it by whatever means, or solicit or make tender offer(s) for the purchase of any Warrants, whether directly or through securities dealers. The County may exercise this option with respect to all or less than all of a particular series and maturity of Warrants and whether or not Warrants which the County may seek to acquire are subject to optional redemption. Any Warrants so purchased may be delivered by the County to the Trustee for cancellation (including, without limitation, in connection with the provisions of **Section 6.1(b)**), and upon such delivery and cancellation, shall no longer be outstanding. The County may exercise the option granted in this section through whatever means are legally available to the County.

ARTICLE VII

SPECIAL FUNDS

SECTION 7.1 Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the “Jefferson County General Obligation Warrants Series 2013-[__] and Taxable General Obligation Warrants, Series 2013-[__] Debt Service Fund” (the “Debt Service Fund”). The Trustee shall be the depository, custodian and disbursing agent for the Debt Service Fund.

(b) The County shall make deposits to the Debt Service Fund at times and in amounts as follows:

(1) on or before the Business Day prior to each Interest Payment Date, an amount equal to the interest on the Warrants that is due and payable on such date;

(2) on or before the Business Day prior to April 1, 2021, an amount equal to the principal amount of Series 2013-[__] Warrants maturing on such date;

(3) on or before the Business Day prior to April 1, 20__, an amount equal to the principal amount of Series 2013-[__] Warrants maturing on such date; and

(3) on or before the Business Day prior to each date fixed for the redemption of Warrants, an amount equal to the redemption price of the Warrants to be redeemed on such date.

(c) The County shall receive a credit against the deposits required by *Section 7.1(b)* as follows:

(1) Investment income and profits from investments made in the Debt Service Fund shall be credited against such deposits as directed by the County; and

(2) Any other money held by the Trustee and available under the terms of this Indenture for the payment of Debt Service on the Warrants shall be credited against such deposits as directed by the County. Such directions must be consistent with any mandatory provision of this Indenture with respect to the required use of such money.

(d) The County acknowledges that the deposits required by *Section 7.1(b)* are intended to provide funds sufficient for the payment of Debt Service when due on all Warrants. Nonetheless, if the balance in the Debt Service Fund on any Warrant Payment Date is not sufficient to pay all Debt Service due on such date, the County shall immediately deposit in such fund an amount equal to the deficiency.

(e) On each Warrant Payment Date, money on deposit in the Debt Service Fund shall be applied by the Trustee for the payment of Debt Service on the Warrants becoming due on such Warrant Payment Date. The balance of such money on deposit, if any, shall be retained in the Debt Service Fund.

SECTION 7.2 Costs of Issuance Account

There is hereby established a special account to be designated the “Jefferson County General Obligation Warrants, Series 2013-[__] and Taxable General Obligation Warrants, Series 2013-[__] Costs of Issuance Account.” The Costs of Issuance Account shall be held by the Trustee. On the date of

issuance and delivery of the Warrants, the County shall transfer to the Trustee for deposit in the Costs of Issuance Account funds in an amount equal to the anticipated Costs of Issuance to be paid from such Account as determined by the County. The Trustee shall disburse moneys in the Costs of Issuance Account to the persons entitled thereto as directed in writing by an Authorized Officer. Any funds remaining in the Costs of Issuance Account 90 days after the date of initial issuance and delivery of the Warrants shall be returned to the County.

SECTION 7.3 Money for Warrant Payments to be Held in Trust; Repayment of Unclaimed Money

(a) If money is on deposit in the Debt Service Fund on any Warrant Payment Date sufficient to pay Debt Service on the Warrants due and payable on such date, but the Holder of any Warrant that matures on such date or that is subject to redemption on such date fails to surrender such Warrant to the Trustee for payment of Debt Service due and payable on such date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Warrant on such date. Money so segregated and held in trust shall not be a part of the Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(b) Any money held in trust by the Trustee for the payment of Debt Service on any Warrant pursuant to *Section 7.3(a)* and remaining unclaimed for three years after such Debt Service has become due and payable shall be paid to the County upon written request of an Authorized Officer; and the Holder of such Warrant shall thereafter, as an unsecured creditor, look only to the County for payment thereof, and all liability of the Trustee with respect to such trust money shall thereupon cease; provided, however, that the Trustee, before making any such payment to the County, shall at the expense of the County cause to be published once, in a newspaper of general circulation in the County, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the County.

SECTION 7.4 Clearing Accounts and Fund Subaccounts

(a) In connection with the issuance of any Warrants hereunder and any payments to be made pursuant to the Plan of Adjustment, at the direction of the County, the Trustee shall create a clearing account to receive and disburse funds received from the County in connection with the issuance of any Warrants or any such payment to be made pursuant to the Plan of Adjustment. Any funds remaining in any clearing account 30 days after the date of initial issuance and delivery of the Warrants shall be returned to the County.

(b) At the direction of the County, the Trustee shall create one or more accounts or subaccounts within any fund or account created hereunder, which accounts or subaccounts shall, for all purposes, constitute a part of the fund or account to which they relate.

ARTICLE VIII

INVESTMENT OF SPECIAL FUNDS

SECTION 8.1 Investment of Special Funds

(a) Subject to the provisions of *Section 10.1*, any money held as part of a Special Fund shall be invested or reinvested in Qualified Investments by the custodian of such fund in accordance with the

instructions of the County (which instructions shall be evidenced by written certificates signed by an Authorized Officer and delivered from time to time to the Trustee); provided, however, that money in the Debt Service Fund shall be invested only in Federal Securities with a maturity not later than the earlier of (i) 30 days after the date of such investment, or (ii) the date such money will be needed for the payment of Debt Service on the Warrants. Any investment made with money on deposit in a Special Fund shall be held by or under control of the fund custodian and shall be deemed at all times a part of the Special Fund where such money was on deposit, and the interest and profits realized from such investment shall be credited to such fund and any loss resulting from such investment shall be charged to such fund.

(b) Any investment of money held as part of a Special Fund may be made by the fund custodian through its own bond department, investment department or other commercial banking department providing investment services. Any certificate of deposit issued by, or other interest-bearing deposit with, the fund custodian shall be deemed an investment.

(c) The Trustee shall not be responsible or liable for any losses suffered in connection with any investment of funds made by it at the instruction of the County.

SECTION 8.2 Application of Funds After Warrants Fully Paid

After all Warrants have been Fully Paid, any money or investments remaining in the Special Funds shall be paid to the County.

ARTICLE IX

CONDITIONS, REPRESENTATIONS AND COVENANTS

SECTION 9.1 Conditions Precedent to Issuance

On or before the date that the Warrants are issued by the County, the Trustee shall have received each of the following, in form and substance reasonably acceptable to the County and the Bank:

(a) A copy of the resolution of the County authorizing the issuance of the Series 2013 Warrants and the execution and delivery of the documents, agreements and certificates necessary in connection therewith.

(b) Original executed counterparts of (1) the Series 2013-A/B Indenture and (2) the Series 2013-C/D Indenture.

(c) Original executed Series 2013 Warrants.

(d) An Official Statement covering the Series 2013 Warrants.

(e) Original executed counterparts of (1) the Warrant Exchange Agreement with respect to the Series 2013-A Warrants and Series 2013-B Warrants and (2) the Warrant Exchange Agreement with respect to the Series 2013-C Warrants and Series 2013-D Warrants.

(f) True, complete, original executed counterparts of (1) a continuing disclosure agreement covering the Series 2013-A Warrants and Series 2013-B Warrants and (2) a continuing disclosure agreement covering the Series 2013-C Warrants and Series 2013-D Warrants.

(g) A certificate signed by an Authorized Officer of the County stating that (i) the representations and warranties of the County contained in **Section 9.2** are correct on and as of the date that the Warrants are issued, (ii) the Confirmed Plan of Adjustment is in full force and effect and not subject to any stay, and (iii) all material conditions precedent to the effective date of the Confirmed Plan of Adjustment have occurred, will occur simultaneously with the effective date of the Confirmed Plan of Adjustment, or have been waived. Said certificate shall also contain specimen signatures of Authorized Officers of the County.

(h) A certificate signed by the County's Tax Assessor reporting the total assessed value of all taxable property in the County subject to taxation by it, including all real, personal and mixed property (excluding motor vehicles), as assessed for County taxation for the tax year ended September 30, 2013, for which taxes become due and payable on October 1, 2013.

(i) A certificate signed by the Director of the County's Revenue Department reporting the total assessed value of all motor vehicles located in the County and subject to taxation by the County, as assessed for County taxation for the period ended September 30, 2013.

(j) A certificate signed by the County Manager reporting all of the outstanding indebtedness (i.e., general obligation debt and limited obligation debt payable from taxes) of the County at the time the Warrants are issued.

(k) Evidence of compliance with Alabama Acts 2009-757 and 2010-519.

(l) The Tax Certificate and Agreement covering the Series 2013-A Warrants and Series 2013-C Warrants signed by an Authorized Officer of the County.

(m) A true, complete copy of Form 8038-G relating to the Series 2013-A Warrants and Series 2013-C Warrants.

(n) A certificate signed by an authorized officer of the Trustee certifying that (i) the County has delivered all documents required to be delivered to it in compliance with this **Section 9.1**, (ii) execution and delivery of this Indenture and the Warrant Exchange Agreement are within the corporate powers of the Trustee and have been duly authorized by all necessary corporate action, and (iii) the persons listed in said certificate have been duly authorized to and have full corporate power to deliver this Indenture and the Warrant Exchange Agreement on behalf of the Trustee, (iv) the names and true signatures of the respective officers thereof authorized to sign this Indenture.

(o) An opinion of nationally recognized bond counsel addressed to the Holders of the Series 2013-A Warrants and Series 2013-B Warrants, and an opinion of nationally recognized bond counsel addressed to the Holders of the Series 2013-C Warrants and Series 2013-D Warrants.

(p) A true and correct copy of the DTC Blanket Letter of Representations.

(q) Written confirmation of the CUSIP numbers assigned to the Series 2013 Warrants.

(r) A Closing Memorandum covering the actions to be taken by the parties to this Indenture on the date of issuance of the Series 2013 Warrants.

SECTION 9.2 Representations and Warranties of the County

The County represents and warrants as follows:

(a) The County is a political subdivision of the State. The County has all requisite power and authority to conduct its business as currently conducted, to own its assets and to enter into and satisfy its obligations under this Indenture.

(b) The County is duly authorized to conduct its operations under the applicable laws, regulations and rulings of the State.

(c) The execution and delivery by the County of this Indenture and the performance of its obligations hereunder will not violate any existing law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the County, or result in a breach of any of the terms of, or constitute a default under or result in the creation or imposition of any lien on, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the County is a party or by which it or any of its property is bound or any of the rules or regulations applicable to it or its property or any decree or order of any court or other governmental body.

(d) The execution, delivery and performance by the County of this Indenture and the Series 2013 Warrants is within its power and authority under the provisions of the Constitution and laws of the State and has been duly authorized by all necessary action and will not contravene any authorizing resolution of the County.

(e) This Indenture constitutes a legal, valid and binding obligation and is enforceable against the County in accordance with its terms, except as enforcement thereof may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, including the exercise of judicial discretion in appropriate cases.

(f) The County currently maintains insurance of such type and in such amounts or in excess of such amounts as are customarily carried by, and insures against such risks as are customarily insured against by, governmental entities of like type, size and character to the County located in the State.

(g) The balance sheets of the County as of September 30, 2012, the related statements of revenues and expenses and changes in financial position for the fiscal year then ended and the auditors' reports with respect thereto are complete and correct and fairly represent the financial condition, changes in financial position and results of operations of the County at such dates and for such periods, and were prepared in accordance with generally accepted accounting principles.

(h) The terms of this Indenture regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(i) The County is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

SECTION 9.3 General Covenants of the County

The County covenants and agrees with the Holders of the Warrants as follows:

(a) The County will not create or permit the creation of any pledge, lien, charge or encumbrance of any kind on the Trust Estate or any part thereof other than the lien of this Indenture.

(b) The County will duly and punctually pay, or cause to be paid, the Debt Service on the Warrants as and when the same shall become due and will duly and punctually deposit, or cause to be

deposited, in the Special Funds the amounts required to be deposited therein, all in accordance with the terms and conditions of the Warrants and this Indenture.

(c) The County will not extend or consent to the extension of the time for payment of Debt Service on the Warrants, unless such extension is consented to by the Holder of each Warrant affected.

(d) 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. 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.

(e) The Warrants 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 Warrants in any given fiscal year shall 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.

(f) The County shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the County on a consolidated or combined basis in accordance with generally accepted accounting principles consistently applied.

(g) The County shall not dissolve nor shall it sell, lease, assign, transfer or otherwise dispose of all or substantially all of its assets.

(h) The County will at all times maintain insurance with respect to its operations and properties against such risks, in such amounts, with such companies and with such deductibles as is customary for governmental entities of like size, location and character located in the State.

(i) The County will comply with its obligations under the Warrant Exchange Agreement on the terms and conditions stated therein.

SECTION 9.4 Advances by the Trustee

If the County shall fail to perform any of its covenants in this Indenture, the Trustee may in its sole discretion, but shall not be required, at any time and from time to time, after notice to the County if no Event of Default exists, make advances to effect performance of any such covenant on behalf of the County. Any money so advanced by the Trustee, together with interest at the Post-Default Rate, shall be

repaid upon demand and such advances shall be secured under this Indenture prior to the Warrants. Before taking any action pursuant to this *Section 9.4*, the Trustee may require satisfactory security or an indemnity bond for all expenses which it may incur and to protect it against any related liability.

ARTICLE X

COVENANTS REGARDING TAX-EXEMPT STATUS

SECTION 10.1 Compliance with Tax Certificate and Agreement

The County will comply with the covenants and agreements on its part contained in the Tax Certificate and Agreement, including, without limitation, not taking any action or failing to take any action, if such action or failure to act would cause interest on the Series 2013-[] Warrants to be Taxable.

SECTION 10.2 Arbitrage with Respect to Investment of Special Funds

The County will not cause or permit any investment to be made of any money on deposit in the Special Funds that would cause any Series 2013-[] Warrant to be an “arbitrage bond” within the meaning of Section 148 (or successor provision) of the Internal Revenue Code.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

SECTION 11.1 Events of Default

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

- (1) failure to pay when due (A) the interest on any Warrant, or (B) the principal of (or premium, if any) on any Warrant, whether at its stated Maturity, by declaration of acceleration or call for redemption or otherwise; or
- (2) the occurrence of an Act of Bankruptcy of the County; or
- (3) default in the performance, or breach, of any covenant or warranty of the County in this Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in this section specifically dealt with), and continuation of such default or breach for a period of 30 days after the date on which notice thereof shall have been given to the County by the Trustee or to the County and the Trustee by the Holder(s) of at least 25% in aggregate principal amount of the outstanding Warrants, unless, in the case of a default or breach that cannot be cured by the payment of money, the County initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected.

SECTION 11.2 Remedies on Default

- (a) If an Event of Default described in *Section 11.1* exists, the Trustee may, and shall if directed to do so by the Holders of not less than 25% in aggregate principal amount of the Warrants

outstanding, declare the principal of all the Warrants and the interest accrued thereon to be due and payable immediately, by notice to the County, and upon any such declaration such Debt Service shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made pursuant to **Section 11.2(a)**, the Holders of a majority in aggregate principal amount of the outstanding Warrants may, by notice to the County and the Trustee, rescind and annul such declaration and its consequences if and only if

(1) the County has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Warrants,

(B) the principal of (and premium, if any, on) any Warrants which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Warrants, including interest at the Post-Default Rate,

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Warrants, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Events of Default, other than the non-payment of the principal of Warrants which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 11.11**.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Upon the occurrence and during the continuance of an Event of Default, interest on the Warrants shall accrue at the Post-Default Rate. Prior to a declaration of acceleration pursuant to **Section 11.2(a)** and for so long as an Event of Default continues, interest accruing at the Post-Default Rate shall be payable in arrears on the next Interest Payment Date. No less than 15 calendar days prior to each Interest Payment Date, the Trustee shall notify the County of the period of time to which the Post-Default Rate is applicable. No less than 10 calendar days prior to each Interest Payment Date, the County shall provide the Trustee with a calculation of interest payable at the Post-Default Rate on such Interest Payment Date, which calculation shall be confirmed by the Trustee within 5 calendar days of receipt thereof.

SECTION 11.3 Application of Money Collected

(a) Any money collected by the Trustee shall be applied solely for the purpose or purposes for which such money from such source is to be applied pursuant to this Indenture.

(b) Any money collected by the Trustee pursuant to this Article and any other sums then held by the Trustee as part of the Trust Estate shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any)

or interest, upon presentation of the Warrants and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(1) **First:** To the payment of all unpaid amounts due the Trustee under this Indenture;

(2) **Second:** To the payment of the whole amount then due and unpaid upon the outstanding Warrants for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Warrants) on overdue principal (and premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Warrants, then to the payment of such principal (and premium, if any) and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(3) **Third:** To the payment of the remainder, if any, to the County or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 11.4 Trustee May Enforce Claims Without Possession of Warrants

All rights of action and claims under this Indenture or the Warrants may be prosecuted and enforced by the Trustee without the possession of any of the Warrants or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Warrants in respect of which such judgment has been recovered.

SECTION 11.5 Limitation on Suits

No Holder of any Warrant shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless:

(1) such Holder has previously given notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 25% in aggregate principal amount of the outstanding Warrants shall have made request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the outstanding Warrants;

it being understood and intended that no one or more Holders of Warrants shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Warrants, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all outstanding Warrants.

SECTION 11.6 Unconditional Right of Warrantholders to Receive Principal, Premium and Interest

Notwithstanding any other provisions in this Indenture, the Holder of any Warrant shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and interest on such Warrant on the Maturity date expressed in such Warrant (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 11.7 Restoration of Positions

If the Trustee or any Warrantholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Warrantholder, then and in every such case the County, the Trustee and the Warrantholders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Warrantholders shall continue as though no such proceeding had been instituted.

SECTION 11.8 Rights and Remedies Cumulative

No right or remedy herein conferred upon or reserved to the Trustee or to the Warrantholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 11.9 Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder of any Warrant to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Warrantholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Warrantholders, as the case may be.

SECTION 11.10 Control by Warrantholders

The Holders of a majority in aggregate principal amount of the outstanding Warrants shall have the right, during the continuation of an Event of Default,

(1) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Warrants or otherwise, and

(2) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder; provided that

(A) such direction shall not be in conflict with any rule of law or this Indenture;

(B) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(C) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction.

SECTION 11.11 Waiver of Past Defaults

(a) Subject to the succeeding provisions of this *Section 11.11(a)*, the Holders of not less than a majority in aggregate principal amount of the outstanding Warrants may, by notice to the Trustee and the County, on behalf of the Holders of all the Warrants waive any past default hereunder and its consequences, except a default:

(1) in the payment of the principal of (or premium, if any) or interest on any Warrant, or

(2) in respect of a covenant or provision hereof which under *Article XIII* cannot be modified or amended without the consent of the Holder of each outstanding Warrant affected, or

(3) arising as a result of a failure to comply with *Section 9.3(i)* which may be waived by the Holders of not less than a majority in aggregate principal amount of the outstanding Warrants, provided that any such majority must include, for so long as the Warrant Exchange Agreement is in effect, the Bank.

(b) Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 11.12 Remedies Subject to Applicable Law

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

ARTICLE XII

THE TRUSTEE

SECTION 12.1 Certain Duties and Responsibilities of Trustee

(a) Except during the continuation of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of gross negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Event of Default exists, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligence or willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection (a) of this section;

(2) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate principal amount of the outstanding Warrants relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this section.

SECTION 12.2 Notice of Defaults

Within 90 days after obtaining knowledge of the occurrence of any material default under this Indenture, the Trustee shall transmit by mail to all Warrantholders, as their names and addresses appear in the Warrant Registers, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of Debt Service on any Warrant, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Warrantholders. The Trustee shall not be deemed to have notice or knowledge of any default except a payment default, unless notified by the County or the Holders of not less than 10% in aggregate principal

amount of the outstanding Warrants. For the purpose of this section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 12.3 Certain Rights of Trustee

Except as otherwise provided in *Section 12.1*:

(1) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the County mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Officer;

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of gross negligence or willful misconduct on its part, rely upon a certificate executed by an Authorized Officer;

(4) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reasonable reliance thereon;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Warrantholders pursuant to this Indenture, unless such Warrantholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction; provided that nothing contained in this paragraph shall be construed to require such security or indemnity for the performance by the Trustee of its obligations under *Section 7.1*;

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the County, personally or by agent or attorney, during regular business hours after reasonable notice;

(7) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(8) The Trustee shall follow the instructions of the County with respect to investments of the Special Funds as provided in *Section 8.1*, but the Trustee shall not be responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code, or (ii) calculating the amount of, or

making payment of, any rebate due to the United States under Section 148(f) of the Internal Revenue Code.

SECTION 12.4 Not Responsible for Recitals

The recitals contained herein and in the Warrants, except the certificates of authentication on the Warrants, shall be taken as the statements of the County, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the County thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Warrants.

SECTION 12.5 May Hold Warrants

The Trustee in its individual or any other capacity may become the owner or pledgee of Warrants and may otherwise deal with the County with the same rights it would have if it were not Trustee.

SECTION 12.6 Money Held in Trust

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent expressly provided in this Indenture or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise provided in *Article XIII*.

SECTION 12.7 Compensation and Reimbursement

(a) The County agrees

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

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) upon receipt of itemized invoices therefor, except any such expense, disbursement or advance that is attributable to the Trustee's gross negligence or willful misconduct.

(b) As security for the performance of the obligations of the County under this section the Trustee shall be secured under this Indenture by a lien prior to the Warrants, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate.

SECTION 12.8 Corporate Trustee Required; Eligibility

There shall at all times be a Trustee hereunder which shall (i) be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, (ii) be authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least \$50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

SECTION 12.9 Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under *Section 12.10*.

(b) The Trustee may resign at any time by giving notice thereof to the County. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed:

(1) at any time by the Holders of a majority in aggregate principal amount of the outstanding Warrants by notice delivered to the Trustee and the County, or

(2) by the County, if no Event of Default exists, on 30 days' notice delivered to the Trustee.

(d) If at any time:

(1) the Trustee shall cease to be eligible under *Section 12.8* and shall fail to resign after request therefor by the County or by any Warrantholder who has been a bona fide Holder of a Warrant for at least six months; or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the County by a resolution of its governing body may remove the Trustee, or (ii) any Warrantholder who has been a bona fide Holder of a Warrant for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, a successor Trustee shall be appointed by the County (if no Event of Default exists). In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Warrantholders. If, within six months after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in aggregate principal amount of the outstanding Warrants, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the County or by such receiver or trustee. If no successor Trustee shall have been so appointed by the County or the Warrantholders and accepted appointment in the manner hereinafter provided, any Warrantholder who has been a bona fide Holder of a Warrant for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The County shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing notice of such event by first-class mail, postage

prepaid, to the Holders of Warrants as their names and addresses appear in the Warrant Registers. Each notice shall include the name of the successor Trustee and the address of the Office of the Trustee.

SECTION 12.10 Acceptance of Appointment by Successors

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the County and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the County or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in *Section 12.7*. Upon request of any such successor Trustee, the County shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

SECTION 12.11 Merger, Conversion, Consolidation or Succession to Business

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder; provided that such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Warrant(s) shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Warrant(s) so authenticated with the same effect as if such successor Trustee had itself authenticated such Warrant(s).

ARTICLE XIII

SUPPLEMENTAL INDENTURES

SECTION 13.1 Supplemental Indentures Without Consent of Warrantholders

Without the consent of the Holders of any Warrants, the County and the Trustee may from time to time enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (1) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property; or
- (2) to add to the conditions, limitations and restrictions on the authorized amounts, terms or purposes of issue of the Warrants; or

(3) to add to the covenants of the County for the benefit of the Holders of Warrants and to make the occurrence, or the occurrence and continuation, of a default in any of such additional covenants an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture; *provided*, however, that, with respect to any such covenant, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default; or

(4) to surrender any right or power herein conferred upon the County; or

(5) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other provisions, with respect to matters or questions arising under this Indenture, which shall not be inconsistent with the provisions of this Indenture; provided that such action shall not adversely affect the interests of the Holders of the Warrants; or

(6) to secure or maintain ratings from a Rating Agency; provided that (i) the changes necessary to obtain or secure such ratings do not, in the opinion of the Trustee, adversely affect the interests of the Holders of the Warrants and (ii) each Rating Agency that maintains a rating with respect to the Warrants confirms in writing that such changes will not cause such Rating Agency to withdraw or reduce its rating.

SECTION 13.2 Supplemental Indentures With Consent of Warrantholders

With the consent of the Holders of not less than a majority in aggregate principal amount of the Warrants then outstanding affected by such supplemental indenture, the County and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Warrants under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each outstanding Warrant affected thereby,

(1) change the stated Maturity of the principal of, or any installment of interest on, any Warrant, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Warrant, or the interest thereon, is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated Maturity thereof (or, in the case of redemption, on or after the redemption date); or

(2) reduce the percentage in aggregate principal amount of the outstanding Warrants, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences; or

(3) modify or alter the provisions of the proviso to the definition of the term “outstanding”; or

(4) modify any of the provisions of this section or *Section 11.11*, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture

cannot be modified or waived without the consent of the Holder of each Warrant affected thereby; or

(5) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the Trust Estate or terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Warrant of the security afforded by the lien of this Indenture.

SECTION 13.3 Discretion of Trustee

The Trustee may in its discretion determine whether or not any Warrants would be adversely affected by any supplemental indenture and any such determination shall be conclusive upon the Holders of all Warrants, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith and may conclusively rely on an Opinion of Counsel in making such determination.

SECTION 13.4 Execution of Supplemental Indentures

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and, subject to *Section 12.1*, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture, or otherwise.

SECTION 13.5 Effect of Supplemental Indentures

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Warrants theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 13.6 Reference in Warrants to Supplemental Indentures

Warrants authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the County shall so determine, new Warrants so modified as to conform, in the opinion of the Trustee and the governing body of the County, to any such supplemental indenture may be prepared and executed by the County and authenticated and delivered by the Trustee in exchange for the then outstanding Warrants.

SECTION 13.7 Amendments Not to Affect Tax Exemption

Notwithstanding any provision hereof to the contrary, no amendment may be made to this Indenture unless the Trustee receives a Favorable Tax Opinion and no Supplemental Indenture may be executed unless the Trustee receives a Favorable Tax Opinion.

ARTICLE XIV

DEFEASANCE OF WARRANTS

SECTION 14.1 Payment of Indebtedness; Satisfaction and Discharge of Indenture

(a) Whenever all Indenture Indebtedness has been Fully Paid, then (i) this Indenture and the lien, rights and interests created hereby shall cease, terminate and become null and void (except as to any surviving rights of transfer or exchange of Warrants herein or therein provided for), and (ii) the Trustee shall, upon the request of the County, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the County, or upon the order of the County, all cash and securities then held by it hereunder as a part of the Trust Estate.

(b) A Warrant shall be deemed "Fully Paid" if:

(1) such Warrant has been cancelled by the Trustee or delivered to the Trustee for cancellation; or

(2) such Warrant shall have matured or been called for redemption and, on such Maturity date or redemption date, money for the payment of Debt Service on such Warrant is held by the Trustee in trust for the benefit of the person entitled thereto; or

(3) such Warrant is alleged to have been destroyed, lost or stolen and has been replaced as provided in this Indenture; or

(4) a trust for the payment of such Warrant has been established in accordance with this Indenture.

(c) Indenture Indebtedness other than Debt Service on the Warrants shall be deemed "Fully Paid" whenever the County has paid, or made provisions satisfactory to the Trustee for payment of, all such Indenture Indebtedness other than Debt Service on the Warrants.

SECTION 14.2 Trust for Payment of Debt Service

(a) The County may provide for the payment of any Warrant by establishing a trust for such purpose with the Trustee and depositing therein cash and/or Federal Securities which (assuming the due and punctual payment of the principal of and interest on such Federal Securities, but without reinvestment) will provide funds sufficient to pay the Debt Service on such Warrant as the same becomes due and payable until the Maturity or redemption of such Warrant; provided, however, that:

(1) such Federal Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such securities;

(2) if such Warrant is to be redeemed prior to its Maturity, either (i) the Trustee shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Indenture and such Warrant or (ii) the County shall confer on the Trustee irrevocable authority for the giving of such notice on behalf of the County;

(3) prior to the establishment of such trust the Trustee must receive (i) an Opinion of Counsel acceptable to the Trustee and each Rating Agency that maintains a rating with respect to the Warrants stating in effect that, upon the occurrence of an Act of Bankruptcy of the County,

money and investments in such trust will not be recoverable from the Trustee or Warrantholders under provisions of the federal Bankruptcy Code relating to voidable preferences and (ii) in the case of the Series 2013-[] Warrants, a Favorable Tax Opinion; and

(4) prior to the establishment of such trust the Trustee must receive a report by an Independent certified public accountant or other Independent verification agent stating in effect that the principal and interest payments on the Federal Securities in such trust, without reinvestment, together with the cash initially deposited therein, will be sufficient to make the required payments from such trust.

The County shall give each Rating Agency that maintains a rating with respect to the Warrants 10 days' notice of its intent to establish such a trust and shall deliver to each such Rating Agency a copy of the opinions and report required by subsections (a)(3) and (4) of this section.

(b) Cash and/or Federal Securities deposited with the Trustee pursuant to this section shall not be a part of the Trust Estate but shall constitute a separate, irrevocable trust fund for the benefit of the Holders of the Warrants to be paid from such fund.

ARTICLE XV

MISCELLANEOUS

SECTION 15.1 Notices

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the County or the Trustee, must (except as otherwise expressly provided in this Indenture) be in writing and be delivered by one of the following methods: (i) by personal delivery at the hand delivery address specified below, (ii) by first-class, registered or certified mail, postage prepaid, addressed as specified below, or (iii) if facsimile transmission facilities for such party are identified below or pursuant to a separate notice from such party, sent by facsimile transmission to the number specified below or in such notice. The hand delivery address, mailing address and (if applicable) facsimile transmission number for receipt of notice or other documents by such parties are as follows:

If to the County:

By hand or by mail:

Jefferson County
Jefferson County Courthouse
716 North 21st Street, Suite 251
Birmingham, Alabama 35203
Attention: County Manager

By facsimile:

(205) 731-2879

If to the Trustee:

By hand or by mail:	UMB Bank, n.a. 2 South Broadway St. Louis, Missouri 63102 Attention: Corporate Trust Administration
By facsimile:	(314) 612-8499

Any of such parties may change the address or number for receiving any such notice or other document by giving notice of the change to the other parties named in this section.

The above-listed address for the Trustee shall constitute the "Office of the Trustee" for all purposes under this Indenture.

Any notice or other document shall be deemed delivered when actually received by the party to whom directed at the address or number specified pursuant to this section, or, if sent by mail, three days after such notice or document is deposited in the United States mail, addressed as provided above.

SECTION 15.2 Notices to Warrantholders; Waiver

(a) Where this Indenture provides for the giving of notice to Warrantholders of any event, such notice must (unless otherwise herein expressly provided) be in writing and mailed, first-class postage prepaid, to each Holder of such Warrants, at the address of such Holder as it appears in the appropriate Warrant Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

(b) In any case where notice to Warrantholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Warrantholder shall affect the sufficiency of such notice with respect to other Warrantholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Warrantholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 15.3 Notices to Rating Agencies

The Trustee shall promptly furnish to each Rating Agency that maintains a rating with respect to the Warrants notice of (i) any change of the Trustee, (ii) any change or amendment of this Indenture, (iii) the redemption by the County of all Warrants outstanding hereunder prior to maturity, (iv) any acceleration of the maturity of the Warrants pursuant to **Section 11.2**, or (v) receipt of notice of the County's intent to establish a trust for the payment of Warrants in accordance with **Section 14.2** of this Indenture. The Rating Agencies maintaining ratings on the Warrants on the date of initial delivery of the Warrants and the address for notices to such Rating Agencies are as follows:

Fitch Ratings
One State Street Plaza
New York, NY 10004
Attn: _____

SECTION 15.4 Successors and Assigns

All covenants and agreements in this Indenture by the County shall bind its successors and assigns, whether so expressed or not.

SECTION 15.5 Benefits of Indenture

Nothing in this Indenture or in the Warrants, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, and the Holders of the outstanding Warrants, any benefit or any legal or equitable right, remedy or claim under this Indenture.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, the County and the Trustee have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested, and have caused this instrument to be dated as of December 1, 2013.

JEFFERSON COUNTY, ALABAMA

By _____
President of the County Commission

ATTEST:

Minute Clerk of the County Commission

[S E A L]

UMB BANK, n.a.

By _____

Its _____

ATTEST:

Its _____

[S E A L]

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, do hereby certify that _____, whose name as President of the County Commission of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said political subdivision.

GIVEN under my hand this the ____ day of _____, 2013.

Notary Public

[NOTARIAL SEAL]

My Commission Expires:_____

STATE OF _____)
 :
 _____ COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, do hereby certify that _____, whose name as _____ of UMB BANK, n.a., a national banking association, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking corporation.

GIVEN under my hand this the ____ day of _____, 2013.

Notary Public

[NOTARIAL SEAL]

My Commission Expires:_____

EXHIBIT A

Form of Series 2013-[__] Warrant

No. R-1

JEFFERSON COUNTY, ALABAMA

**GENERAL OBLIGATION WARRANT,
SERIES 2013-[__]**

Date of Initial Delivery: December [____], 2013

Maturity Date: April 1, 2021

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the “County”), for value received, hereby acknowledges itself indebted to and orders and directs the County Treasurer of the County to pay to

CEDE & CO.,

or registered assigns, upon presentation and surrender hereof, the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the rate specified above.

Interest on this warrant shall be payable in arrears on April 1 and October 1 of each year, beginning April 1, 2014 (each such date being herein called an “Interest Payment Date”). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this warrant is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the month next preceding the relevant Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder of such Regular Record Date, and shall be paid to the person in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of such Special Record Date being given to Holders of the Series 2013-[__] Warrants not less than 10 days prior to such Special Record Date.

Interest shall be payable on overdue principal of this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate (as defined in the Indenture hereinafter referred to). If any Interest Payment Date is not a Business Day, the interest due on such date shall be payable on the next succeeding Business Day with the same effect as if payment

was made on such Interest Payment Date. The Indenture also provides for interest payable at the Post-Default Rate upon the occurrence and during the continuance of an Event of Default not related to payment.

This warrant is one of a duly authorized issue of warrants of the County, aggregating [\$_____] in principal amount, designated “General Obligation Warrants, Series 2013-[_____]” (the “Series 2013-[_____] Warrants”) and issued under and pursuant to a Trust Indenture, dated as of December 1, 2013 (the “Indenture”), between the County and UMB Bank, n.a., as trustee (the “Trustee”). The Indenture and the Series 2013-[_____] Warrants have been duly authorized by a resolution of the governing body of the County and are entered into and issued, respectively, pursuant to authorization contained in Sections 11-28-1, *et seq.*, Code of Alabama 1975, as amended. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

The Series 2013-[_____] Warrants have been issued for the purposes of refunding certain outstanding County obligations. The indebtedness evidenced by the Series 2013-[_____] Warrants is a general obligation of the County for the payment of principal of and interest on which the full faith and credit of the County have been irrevocably pledged. Reference is hereby made to the Indenture for a more complete description of the rights of the owners of the Series 2013-[_____] Warrants and of the Trustee. Each owner of this warrant, by the acceptance hereof, shall be deemed to assent to the provisions of the Indenture.

Redemption

In the manner and with the effect provided in the Indenture, the Series 2013-[_____] Warrants will be subject to redemption prior to maturity as follows:

(a) **Optional Redemption.** The Series 2013-[_____] Warrants may be redeemed at the option of the County, on the dates and for the redemption prices (expressed as a percentage of the principal amount redeemed) equal to the applicable redemption price set forth below, plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
[_____] , 2018 through [_____] , 2019	102%
[_____] , 2019 through [_____] , 2020	101%
[_____] , 2020 and thereafter	100%

(b) [CHOOSE ONE] **[Scheduled Mandatory Redemption of Series 2013-A Warrants.** The Series 2013-A Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$4,995,000	2018	\$6,020,000
2015	5,280,000	2019	6,275,000
2016	5,510,000	2020	6,560,000
2017	5,760,000		

\$6,845,000 of the Series 2013-A Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Indenture, Series 2013-A Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-A Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-A Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-A Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-A Warrants previously redeemed (other than Series 2013-A Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-A Warrants shall be redeemed in accordance with the mandatory redemption provisions of the Series 2013-A Warrants without any direction from or consent by the County.]

[OR] **[Scheduled Mandatory Redemption of Series 2013-C Warrants.** The Series 2013-C Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$4,925,000	2018	\$5,930,000
2015	5,205,000	2019	6,190,000
2016	5,430,000	2020	6,465,000
2017	5,675,000		

\$6,755,000 of the Series 2013-C Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Indenture, Series 2013-C Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-C Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date,

direct that any or all of the following amounts be credited against the principal amount of Series 2013-C Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-C Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-C Warrants previously redeemed (other than Series 2013-C Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-C Warrants shall be redeemed in accordance with the mandatory redemption provisions of the Series 2013-C Warrants without any direction from or consent by the County.]

If less than all Series 2013-[] Warrants are to be redeemed, the particular Series 2013-[] Warrants to be redeemed shall be selected by the Trustee from the outstanding Series 2013-[] Warrants then eligible for redemption by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Series 2013-[] Warrants of a denomination larger than the smallest Authorized Denomination.

Upon any partial redemption of any Series 2013-[] Warrant, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Series 2013-[] Warrants of the same maturity and interest rate and in authorized form for the unredeemed portion of principal. Series 2013-[] Warrants (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

Any redemption shall be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Indenture.

The Indenture permits the amendment of the Series 2013-[] Warrants and the Indenture, and waivers of past defaults under such instruments and the consequences of such defaults, in certain circumstances without consent of Warrantholders and in other circumstances with the consent of all Warrantholders or a specified percentage of Warrantholders. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Registration, transfer and exchange of this warrant is governed by the Indenture and the Book Entry System administered by DTC.

The County and the Trustee may treat the person in whose name this warrant is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this warrant is overdue, and neither the County nor the Trustee shall be affected by notice to the contrary.

No covenant or agreement contained in this warrant or the Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the County, and neither any member of the

governing body of the County nor any officer executing this warrant shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance of this warrant.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the County has caused this warrant to be duly executed under its official seal.

JEFFERSON COUNTY, ALABAMA

By: _____
President of the County Commission

ATTEST:

Minute Clerk of the County Commission

[S E A L]

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the sources herein described.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2013-[__] Warrants referred to in the within-mentioned Indenture.

Date of authentication: _____.

UMB BANK, n.a., as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named County at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____.

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By: _____
(Authorized Officer)

EXHIBIT A

Form of Series 2013-[__] Warrant

No. R-1

JEFFERSON COUNTY, ALABAMA

**TAXABLE GENERAL OBLIGATION WARRANT,
SERIES 2013-[__]**

Date of Initial Delivery: December [____], 2013

Maturity Date: April 1, 20__

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the “County”), for value received, hereby acknowledges itself indebted to and orders and directs the County Treasurer of the County to pay to

CEDE & CO.,

or registered assigns, upon presentation and surrender hereof, the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the rate specified above.

Interest on this warrant shall be payable in arrears on April 1 and October 1 of each year, beginning April 1, 2014 (each such date being herein called an “Interest Payment Date”). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this warrant is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the month next preceding the relevant Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder of such Regular Record Date, and shall be paid to the person in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of such Special Record Date being given to Holders of the Series 2013-[__] Warrants not less than 10 days prior to such Special Record Date.

Interest shall be payable on overdue principal of this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate (as defined in the Indenture hereinafter referred to). If any Interest Payment Date is not a Business Day, the interest due on such date shall be payable on the next succeeding Business Day with the same effect as if payment

was made on such Interest Payment Date. The Indenture also provides for interest payable at the Post-Default Rate upon the occurrence and during the continuance of an Event of Default not related to payment.

This warrant is one of a duly authorized issue of warrants of the County, aggregating [\$_____] in principal amount, designated "Taxable General Obligation Warrants, Series 2013-[_]" (the "Series 2013-[_] Warrants") and issued under and pursuant to a Trust Indenture, dated as of December 1, 2013 (the "Indenture"), between the County and UMB Bank, n.a., as trustee (the "Trustee"). The Indenture and the Series 2013-[_] Warrants have been duly authorized by a resolution of the governing body of the County and are entered into and issued, respectively, pursuant to authorization contained in Sections 11-28-1, *et seq.*, Code of Alabama 1975, as amended. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

The Series 2013-[_] Warrants have been issued for the purposes of refunding certain outstanding County obligations. The indebtedness evidenced by the Series 2013-[_] Warrants is a general obligation of the County for the payment of principal of and interest on which the full faith and credit of the County have been irrevocably pledged. Reference is hereby made to the Indenture for a more complete description of the rights of the owners of the Series 2013-[_] Warrants and of the Trustee. Each owner of this warrant, by the acceptance hereof, shall be deemed to assent to the provisions of the Indenture.

Redemption

[CHOOSE ONE] **[Scheduled Mandatory Redemption of Series 2013-B Warrants.** The Series 2013-B Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
2014	\$1,405,000
2015	1,410,000
2016	1,405,000

\$1,410,000 of the Series 2013-B Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Indenture, Series 2013-B Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-B Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-B Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-B Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-B Warrants previously redeemed (other than Series 2013-B Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-B Warrants shall be redeemed in accordance with the mandatory redemption provisions of the Series 2013-B Warrants without any direction from or consent by the County.]

[OR] **[Scheduled Mandatory Redemption of Series 2013-D Warrants.** The Series 2013-D Warrants shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on April 1 in years and principal amounts (after credit as provided below) as follows:

<u>Year</u>	<u>Amount</u>
2014	\$1,385,000
2015	1,390,000
2016	1,385,000

\$1,390,000 of the Series 2013-D Warrants
will be retired at Maturity

Not less than 20 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption, as provided in the Indenture, Series 2013-D Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2013-D Warrants or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Trustee not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2013-D Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-D Warrants delivered by the County to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of Series 2013-D Warrants previously redeemed (other than Series 2013-D Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit.

Series 2013-D Warrants shall be redeemed in accordance with the mandatory redemption provisions of the Series 2013-D Warrants without any direction from or consent by the County.]

If less than all Series 2013-[] Warrants are to be redeemed, the particular Series 2013-[] Warrants to be redeemed shall be selected by the Trustee from the outstanding Series 2013-[] Warrants then eligible for redemption by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Series 2013-[] Warrants of a denomination larger than the smallest Authorized Denomination.

Upon any partial redemption of any Series 2013-[] Warrant, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Series 2013-[] Warrants of the same maturity and interest rate and in authorized form for the unredeemed portion of principal. Series 2013-[] Warrants (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

Any redemption shall be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Indenture.

The Indenture permits the amendment of the Series 2013-[] Warrants and the Indenture, and waivers of past defaults under such instruments and the consequences of such defaults, in certain circumstances without consent of Warrantholders and in other circumstances with the consent of all Warrantholders or a specified percentage of Warrantholders. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Registration, transfer and exchange of this warrant is governed by the Indenture and the Book Entry System administered by DTC.

The County and the Trustee may treat the person in whose name this warrant is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this warrant is overdue, and neither the County nor the Trustee shall be affected by notice to the contrary.

No covenant or agreement contained in this warrant or the Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the County, and neither any member of the governing body of the County nor any officer executing this warrant shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance of this warrant.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the County has caused this warrant to be duly executed under its official seal.

JEFFERSON COUNTY, ALABAMA

By: _____
President of the County Commission

ATTEST:

Minute Clerk of the County Commission

[S E A L]

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the sources herein described.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2013-[__] Warrants referred to in the within-mentioned Indenture.

Date of authentication: _____.

UMB BANK, n.a., as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named County at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____.

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By: _____
(Authorized Officer)

Exhibit 2

Warrant Exchange Agreement, Dated as of December 1, 2013

WARRANT EXCHANGE AGREEMENT
(Series 2013-[____] and Series 2013-[____])

Dated December [____], 2013

among

JEFFERSON COUNTY, ALABAMA

UMB BANK, n.a., as trustee

and

[Bank]

Relating to the issuance of

\$_[_____]
JEFFERSON COUNTY, ALABAMA
General Obligation Warrants
Series 2013-[____]

And

\$_[_____]
JEFFERSON COUNTY, ALABAMA
Taxable General Obligation Warrants
Series 2013-[____]

WARRANT EXCHANGE AGREEMENT

THIS WARRANT EXCHANGE AGREEMENT (this “Agreement”) dated December [____], 2013 is entered into by **JEFFERSON COUNTY, ALABAMA** (the “County”), **UMB BANK, n.a.**, as trustee (the “Trustee”) and **[BANK]**, a _____ (the “Bank”).

Background

The County and The Bank of New York, as indenture trustee, entered into a Trust Indenture dated as of July 1, 2001 (the “Original Indenture”), pursuant to which the County issued its \$120,000,000 principal amount General Obligation Warrants, Series 2001-B (herein called the “Series 2001-B Warrants”). The Series 2001-B Warrants were issued for the purpose of refunding certain previously issued and outstanding general obligation warrants of the County. The Trustee has succeeded The Bank of New York as indenture trustee under the Original Indenture.

The County and The Bank of New York, as indenture trustee, entered into a Standby Warrant Purchase Agreement dated as of July 1, 2001, as amended (herein called the “Standby Purchase Agreement”), with JPMorgan Chase Bank, N.A. (formerly known as Morgan Guaranty Trust Company of New York and herein called “JPMorgan”) and Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale and herein called “BayernLB”), acting through its New York Branch. In the Standby Purchase Agreement, JPMorgan and BayernLB agreed to purchase any Series 2001-B Warrants not remarketed after having been tendered for purchase pursuant to the mandatory or optional tender provisions of the Original Indenture. As a result of the operation of the Standby Purchase Agreement and other open market purchases (by BayernLB), JPMorgan and BayernLB currently hold the entire aggregate principal amount of the outstanding Series 2001-B Warrants.

On November 9, 2011 (the “Petition Date”), the County filed a voluntary petition for adjustment of its debts under Chapter 9 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”). On May 13, 2013, the County, the Trustee, JPMorgan and BayernLB entered into a Plan Support Agreement (the “PSA”) which, among other things, described the treatment of the Series 2001-B Warrants that, together with certain other terms and conditions as set forth therein, would constitute an “acceptable plan” for the purposes of the PSA. On July 29, 2013, the County filed its Chapter 9 Plan of Adjustment for Jefferson County, Alabama (as amended, supplemented or modified, the “Plan of Adjustment”). The Plan of Adjustment is an “acceptable plan” as such term is used in the PSA. Consistent with their agreements under the PSA, JPMorgan and BayernLB timely voted to accept the Plan of Adjustment. The Bankruptcy Court confirmed the County’s Plan of Adjustment by _____ **[Order]** _____ dated [____], 2013. The Effective Date (as such term is defined in the Plan of Adjustment) is [____], 2013.

The Plan of Adjustment provides, *inter alia*, that JPMorgan and BayernLB will exchange all of their Series 2001-B Warrants for their respective portion of replacement warrants to be issued in four series under the Plan of Adjustment, governed by new trust indentures, and named General Obligation Warrants, Series 2013-A (the “Series 2013-A Warrants”), Taxable General Obligation Warrants, Series 2013-B (the “Series 2013-B Warrants”), General Obligation Warrants, Series 2013-C (the “Series 2013-C Warrants”), Taxable General Obligation Warrants, Series 2013-D (the “Series 2013-D Warrants” and, together with the Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants herein the “Series 2013 Warrants”).

The Series 2013 Warrants have been duly authorized by the County and will be issued and delivered in exchange for the Series 2001-B Warrants, all in accordance with the provisions of the confirmed Plan of Adjustment, that certain Trust Indenture dated as of December 1, 2013 between the County and the Trustee, pursuant to which the County issued the Series 2013-A Warrants and Series 2013-B Warrants (the "Series 2013-A/B Indenture"), and that certain Trust Indenture dated as of December 1, 2013 between the County and the Trustee, pursuant to which the County issued the Series 2013-C Warrants and Series 2013-D Warrants (the "Series 2013-C/D Indenture"). Upon the occurrence of the exchange of the Series 2001-B Warrants for the Series 2013 Warrants, all of the Series 2001-B Warrants will be cancelled by the Trustee, shall be deemed "Fully Paid" under the terms of the Original Indenture, and shall no longer constitute an indebtedness of the County. The Original Indenture shall be superseded and replaced in its entirety by the Series 2013-A/B Indenture and the Series 2013-C/D Indenture. Section 1145 of the Bankruptcy Code applies to the exchange of the Series 2001-B Warrants for the Series 2013 Warrants pursuant to the Plan of Adjustment. The Standby Purchase Agreement will be terminated upon cancellation of the Series 2001-B Warrants. Upon issuance, the Bank will be the beneficial Holder of 100% of the outstanding Series 2013-[____] Warrants and Series 2013-[____] Warrants.

Section 1(c)(vii) of the PSA requires that certain of the representations, warranties and covenants from the Standby Purchase Agreement should continue to be applicable to the Series 2013-[____] Warrants and Series 2013-[____] Warrants, as agreed upon by the Bank and the County. The Bank has consented to the inclusion of such representations, warranties and covenants in this Agreement in lieu of inclusion in the Series 2013-[____] Indenture.

The Trustee has heretofore accepted the trusts created by the Series 2013-[____] Indenture and has joined in the execution hereof.

NOW, THEREFORE, for and in consideration of the exchange of the Series 2001-B Warrants for the Series 2013-[____] Warrants and Series 2013-[____] Warrants, 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, and in accordance with the PSA, the Parties hereby agree as follows:

Agreement

Section 1. Definitions

Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Series 2013-[____] Indenture.

Section 2. Agreement

This Agreement contains provisions that are supplemental to the provisions of the Series 2013-[____] Indenture and are intended solely for the benefit of the parties hereto. Subject to the provisions hereof, the County agrees that, so long as the Bank is the beneficial Holder of the Series 2013-[____] Warrants and Series 2013-[____] Warrants in the amounts required by this Agreement, the County shall provide the required information to the Trustee for the benefit of the beneficial Holders of the Series 2013-[____] Warrants and Series 2013-[____] Warrants. The Bank agrees to comply with its obligations hereunder.

Section 3. Representations and Warranties of the County

(a) The representations and warranties of the County made in *Section 9.2* of the Series 2013-[____] Indenture are hereby incorporated herein by reference.

(b) In addition to the foregoing representations and warranties, the County hereby represents and warrants to the Bank that the information contained in the Official Statement dated December [____], 2013 delivered in connection with the issuance of the Series 2013 Warrants (the "Official Statement") is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 4. Covenants of the County

(a) The covenants of the County made in *Section 9.3* of the Series 2013-[____] Indenture are hereby incorporated herein by reference.

(b) In addition to the foregoing covenants, the County hereby covenants and agrees with and for the benefit of the Bank as follows:

(1) within 15 days of completion, the County shall furnish to the Trustee the complete audited financial statements of the County including the County's balance sheets as of the end of such Fiscal Year and the related statements of revenues, expenses and cash flows and changes in fund balances for such Fiscal Year, as certified by an independent certified accounting firm in accordance with generally accepted accounting principles, consistently applied; and

(2) simultaneously with the delivery of the financial statements referred to in (1) above, a certificate signed by the chief financial officer of the County stating that (i) under his/her supervision the County has made a review of its activities during the preceding annual period for the purpose of determining whether or not the County has complied with all of the material terms, provisions and conditions of the Series 2013-[____] Indenture and (ii) to his/her actual knowledge the County is not in default in the performance or observance of any of the terms, covenants, provisions or conditions of the Series 2013-[____] Indenture, or if the County shall be in default, such certificate shall specify each such default, the nature and status thereof and any remedial steps taken or proposed to correct each such default; and

(3) as near as practicable to the beginning of each Fiscal Year, the County shall furnish to the Trustee an annual budget of the County for such upcoming Fiscal Year; and

(4) the County shall pay when due any amount (including without limitation, premium) payable under, or in respect of any other obligation (whether notes, warrants, bonds or other obligations) of the County payable generally from the assets of the County aggregating more than \$5,000,000; and

(5) the County shall provide to the Trustee immediate notice by telephone, promptly confirmed in writing, of any Default or Event of Default under this Agreement or under the Indenture; and

(6) the County shall furnish to the Trustee such other commercially reasonable information respecting the financial condition of the County as the Trustee may from time to time reasonably request, provided that such requests shall be limited as follows: (a) in the event that

the Series 2013-[] Warrants and Series 2013-[] Warrants are rated investment grade, such requests shall occur no more frequently than semiannually; (b) in the event that the Series 2013-[] Warrants and Series 2013-[] Warrants are rated below investment grade, are not rated, or the rating is withdrawn, such requests shall occur no more frequently than quarterly; and (c) notwithstanding anything in this paragraph to the contrary, for so long as an Event of Default (as defined in the Series 2013-[] Indenture) has occurred and is continuing, such requests shall occur no more frequently than monthly.

Section 5. Representations, Warranties and Covenants of the Bank

The Bank represents, warrants and covenants as follows:

(a) This Agreement is the legal, valid and binding obligation of the Bank, enforceable against the Bank in accordance with the terms hereof, except as such enforceability may be limited by the Bank's bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally.

(b) The Bank shall provide written notice to the County and the Trustee within 30 days after the Bank (including its Affiliates) ceases to be the beneficial Holder of in excess of 10% of the aggregate principal amount of the Series 2013-[] Warrants and Series 2013-[] Warrants then outstanding.

(c) The Bank did not rely upon the Official Statement in determining whether to vote to accept or reject the Plan of Adjustment or whether to exchange its Series 2001-B Warrants for the Series 2013-[] Warrants and Series 2013-[] Warrants pursuant to the Plan of Adjustment, the Series 2013-[] Indenture, and related documents.

(d) The County has complied in all material respects with its obligations pursuant to **Section 9.1** of the Series 2013-[] Indenture.

Section 6. Obligations of the Trustee

The Trustee hereby agrees to promptly provide to the Bank or the County, as applicable, using commercially reasonable means, all notices received by it from the County or the Bank together with a verification of the date of Trustee's receipt thereof.

Section 7. Default

(a) The County shall be in default under this Agreement if the County shall have failed to comply with its obligations hereunder for a period of fifteen calendar days after notice of default is given to the County by the Trustee or the Bank.

(b) The Bank shall be in default under this Agreement if the Bank shall fail to give the notice required by **Section 5(b)** hereof or if it fails to comply with its obligations under **Section 11** hereof.

Section 8. Remedies upon Default

(a) If the County is in default under the provisions of this Agreement, the Bank may notify the Trustee and the County in writing that a default has occurred and is continuing under this Agreement. Upon such declaration of default hereunder, the provisions of the Series 2013-[] Indenture shall control all curative action and remedies with respect to this Agreement.

(b) If the Bank is in default under *Section 5(b)* or *Section 11* of this Agreement, the County's obligations hereunder shall be suspended until such time as the Bank shall have cured its default.

Section 9. Termination

(a) This Agreement shall terminate, and the parties hereto shall have no further obligation hereunder, if any of the following shall occur:

(1) the Bank is no longer the beneficial Holder of in excess of 10% of the aggregate principal amount of the Series 2013-[] Warrants and Series 2013-[] Warrants then outstanding; or

(2) all of the Series 2013-[] Warrants and Series 2013-[] Warrants are redeemed pursuant to *Article VI* of the Series 2013-[] Indenture or are defeased pursuant to *Article XIV* of the Series 2013-[] Indenture.

(b) If this Agreement is terminated as provided in this Section, the parties shall have no further obligation hereunder.

Section 10. Plan Support Agreement

The County and Bank hereby agree that this Agreement is intended, together with the Series 2013-[] Indenture and the other documents, agreements and certificates delivered to the Trustee in connection with the issuance of the Series 2013-[] Warrants and Series 2013-[] Warrants, to assist the County in complying with its obligations under Section 1(c)(vii) of the PSA. By its execution and delivery of this Agreement, the Bank acknowledges that the County's obligations under Section 1(c)(vii) of the PSA are satisfied.

Section 11. Benefits of Agreement

This Agreement shall inure to the benefit of and be binding upon the County, the Bank and the Trustee. Nothing in this Agreement is intended or shall be construed to give any person, firm or corporation other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No person who purchases Series 2013-[] Warrants or Series 2013-[] Warrants from the Bank shall be deemed to be a successor or assign of the Bank with respect to this Agreement merely by reason of such purchase, and the Bank agrees that it will not make representations to the contrary to potential purchasers of the Series 2013-[] Warrants or Series 2013-[] Warrants.

Section 12. Use of EMMA System

Notwithstanding any provision hereof to the contrary, the County, at its sole and absolute discretion, may satisfy its reporting obligations arising hereunder by posting any information required to be provided to the Trustee or to the Bank hereunder to the Municipal Securities Rulemaking Board's EMMA System.

Section 13. Amendments

This Agreement may be modified, altered, amended, or supplemented only by an agreement in writing signed by each party hereto.

Section 14. Governing Law

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

Section 15. Reporting Addresses

All notices, information or reports under this Agreement shall be delivered to the parties hereto at their addresses specified in *Section 15.1* of the Series 2013-[__] Indenture, provided that the address of the Bank is as follows:

[insert reporting address of Bank.]

Section 16. Counterparts

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

IN WITNESS WHEREOF, the County, the Bank, and the Trustee have caused this Agreement to be executed and delivered by their duly authorized officers or agents.

JEFFERSON COUNTY, ALABAMA

By:_____

Title:_____

UMB BANK, n.a., as Trustee under the Trust Indenture referred to herein

By:_____

Title:_____

[BANK]

By:_____

Its: Authorized Officer

Exhibit 3

**New First Supplemental Sewer Warrant Indenture,
including the forms of the Reserve Fund Reimbursement Warrants**

FIRST SUPPLEMENTAL TRUST INDENTURE

Dated December 1, 2013

Between

JEFFERSON COUNTY, ALABAMA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to the authorization and issuance of

Up to [\$Amount] Senior Lien Reserve Fund Reimbursement Warrants

and

Up to [\$Amount] Subordinate Lien Reserve Fund Reimbursement Warrants

by

Jefferson County, Alabama

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EXHIBIT 4.1(b)	Form of Senior Lien Reserve Fund Warrant Certificate of Issuance
EXHIBIT 4.1(c).....	Form of Transfer Restriction Certificate of JPMorgan Chase Bank
EXHIBIT 4.1(e).....	Form of Senior Lien Reserve Fund Warrants
EXHIBIT 4.2(b)	Form of Subordinate Lien Reserve Fund Warrant Certificate of Issuance
EXHIBIT 4.2(e).....	Form of Subordinate Lien Reserve Fund Warrants
EXHIBIT 6.2	Election to Redeem

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS **FIRST SUPPLEMENTAL TRUST INDENTURE** (this “First Supplemental Indenture”) dated December 1, 2013 is entered into by **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (the “Issuer”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee (the “Trustee”).

Recitals

The Issuer owns and operates a sanitary sewer system (the “System”), which currently serves customers in Jefferson County, Alabama and small portions of two adjacent counties. On November 9, 2011, the Issuer filed a petition for relief under Chapter 9 of Title 11 of the United States Code, thereby commencing Bankruptcy Case No. 11-05736-TBB9 (the “Bankruptcy Case”) before the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”). The Bankruptcy Court has confirmed the Issuer’s plan of adjustment (the “Confirmed Plan of Adjustment”), a material component of which is the restructuring of the Issuer’s financial obligations with respect to its System through the issuance of certain warrants of the Issuer.

On the date hereof, the Issuer has entered into that certain Trust Indenture dated December 1, 2013 between the Issuer and the Trustee, as trustee (the “Original Indenture”) in order to provide for the issuance of certain warrants of the Issuer as described therein. The Original Indenture and this First Supplemental Indenture are sometimes collectively referred to herein as the “Indenture”. Capitalized terms used without definition in this First Supplemental Indenture shall have the meaning ascribed in the Original Indenture.

The Issuer has duly authorized the issuance of two series of its sewer revenue warrants: (1) its Senior Lien Reserve Fund Reimbursement Warrants, in a maximum principal amount Outstanding at any one time of up to \$[Amount] (the “Senior Lien Reserve Fund Warrants”) and (2) its Subordinate Lien Reserve Fund Reimbursement Warrants, in a maximum principal amount Outstanding at any one time of up to \$[Amount] (the “Subordinate Lien Reserve Fund Warrants” and, together with the Senior Lien Reserve Fund Warrants, the “Reserve Fund Warrants”) pursuant to the terms and conditions of this First Supplemental Indenture. The Reserve Fund Warrants are additional Secured Obligations under the Original Indenture. The Reserve Fund Warrants are contemplated by the Confirmed Plan of Adjustment.

The Senior Lien Reserve Fund Warrants constitute Current Interest Obligations and Senior Lien Obligations. The Senior Lien Reserve Fund Warrants may be issued for the purpose of reimbursing JPMorgan Chase Bank for draws on the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Subordinate Lien Reserve Fund Warrants constitute Current Interest Obligations and Subordinate Lien Obligations. The Subordinate Lien Reserve Fund Warrants may be issued for the purpose of reimbursing JPMorgan Chase Bank for draws on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The letters of credit described herein are Credit Enhancement for the Warrants, as provided in the Original Indenture. The Reserve Fund Warrants are authorized but unissued on the date hereof. The Reserve Fund Warrants may only be issued on or after March 1, 2014, and may not have a maturity date later than March 1, 2054.

The Reserve Fund Warrants are limited obligations of the Issuer payable solely out of the General Trust Estate established under the Original Indenture, which includes the System Revenues described therein. Payment of the Senior Lien Reserve Fund Warrants is further secured by the Senior Lien Reserve Fund Warrant Trust Estate, which includes the Senior Lien Reserve Fund Warrants Debt Service Fund described herein, and which is held by the Trustee for the sole benefit of Holders of the Senior Lien Reserve Fund Warrants. Payment of the Subordinate Lien Reserve Fund Warrants is further secured by the Subordinate Lien Reserve Fund Warrant Trust Estate, which includes the Subordinate Lien Reserve Fund Warrants Debt Service Fund described herein, and which is held by the Trustee for the sole benefit of Holders of the Subordinate Lien Reserve Fund Warrants.

The Confirmed Plan of Adjustment and related confirmation order includes a binding judicial determination that the Warrants, the Reserve Fund Warrants, the Original Indenture, this First Supplemental Indenture, the Rate Resolution, and the covenants made by the Issuer for the benefit of the holders of the Warrants

(including the covenants provided for in *Section 10.9* of the Original Indenture) will constitute legal, valid, binding and enforceable obligations of the Issuer.

All things have been done which are necessary to make the Reserve Fund Warrants, when executed by the Issuer and issued, authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to constitute this First Supplemental Indenture a valid trust indenture for the security of the Reserve Fund Warrants, in accordance with the terms of this First Supplemental Indenture.

NOW, THEREFORE, THIS FIRST SUPPLMENTAL TRUST INDENTURE WITNESSETH:

It is hereby covenanted and declared that all the Reserve Fund Warrants may be issued, authenticated and delivered as provided herein; and the property subject to this First Supplemental Indenture is to be held and applied by the Trustee, subject to the covenants, conditions and trusts hereinafter set forth; and the Issuer does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit (except as otherwise expressly provided herein) of all Reserve Fund Warrants as follows:

ARTICLE 1

Definitions

SECTION 1.1 Definitions

Capitalized terms used without definition herein shall have the meaning ascribed in the Original Indenture. As a supplement to the Original Indenture, and for all purposes of this First Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“Approving Tax Opinion” means an Opinion of Counsel delivered by an attorney or firm of attorneys which is nationally recognized as bond counsel stating that the interest paid on the Reserve Fund Warrant or Reserve Fund Warrants described in such opinion is exempt from federal income taxation or otherwise excludable from gross income of the Holder thereof.

“Authorized Denominations” means, with respect to the Reserve Fund Warrants, a principal amount of \$100,000 and any amount in excess thereof.

“Favorable Ruling” means a private letter ruling, revenue ruling, technical advice memorandum or other determination of the Internal Revenue Service stating that the interest paid on the Reserve Fund Warrant or Reserve Fund Warrants described in such document is exempt from federal income taxation or otherwise excludable from gross income of the Holder thereof.

“Holder” or **“Warrantholder”** means, when used with respect to any Reserve Fund Warrant, (i) if the Book Entry System is not in effect, the person in whose name such Reserve Fund Warrant is registered on the Warrant Register maintained by the Trustee and (ii) if the Book Entry System is in effect, the beneficial owner of such Reserve Fund Warrant on the records maintained pursuant to the Book Entry System.

“Interest Payment Date” means, when used with respect to any installment of interest on a Reserve Fund Warrant, the date specified in this First Supplemental Indenture as the date on which such installment of interest is due and payable.

“JPMorgan Chase Bank” means JPMorgan Chase Bank, National Association, a national banking association and the issuer of the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

“Maturity Date” means, when used with respect to any Reserve Fund Warrant, the dates specified pursuant to *Sections 4.1(b)(3)* and *4.2(b)(3)*.

“Original Indenture” means that certain Trust Indenture dated December 1, 2013 between the Issuer and the Trustee.

“Post-Default Rate” means, when used with respect to any payment of Debt Service on any Reserve Fund Warrant, a rate of interest per annum equal to (A) the interest rate applicable to such Reserve Fund Warrant at the time of the applicable Indenture Default plus (B) 2.00%, subject to a maximum rate of 12% per annum.

“Principal Payment Date” means, when used with respect to any Reserve Fund Warrant, the dates specified pursuant to *Sections 4.1(i)* and *4.2(i)*.

“Reserve Fund Warrant Payment Date” means each date on which Debt Service is payable on Reserve Fund Warrants, including any date fixed for redemption of Reserve Fund Warrants.

“Reserve Fund Warrant Register” means the register or registers for the registration and transfer of Reserve Fund Warrants maintained by the Issuer at the Office of the Trustee pursuant to *Sections 3.1(b)(1)* and *3.2(c)*.

“Reserve Fund Warrants” means, collectively, the Senior Lien Reserve Fund Warrants and the Subordinate Lien Reserve Fund Warrants.

“Senior Lien Certificate of Issuance” has the meaning assigned in *Section 4.1(b)*.

“Senior Lien Reserve Fund Warrant Trust Estate” has the meaning assigned in *Section 2.2(b)*.

“Senior Lien Reserve Fund Warrant Debt Service Fund” means the fund established pursuant to *Section 7.1*.

“Senior Lien Reserve Fund Warrant Issue Date” means each date on which a Senior Lien Reserve Fund Warrant is issued, which for each Senior Lien Reserve Fund Warrant shall be the same date as the date of a related (i) draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit, (ii) transfer of cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Senior Lien Reserve Fund Letter of Credit from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants, (iii) transfer of cash obtained by the Trustee pursuant to a draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit due to the failure of JPMorgan Chase Bank to deliver collateral from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants, or (iv) transfer of collateral pursuant to *Section 9.6* of the Original Indenture from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants. The Senior Lien Reserve Fund Warrant Issue Date shall be conclusively proved by the respective Senior Lien Certificate of Issuance.

“Senior Lien Reserve Fund Warrants” means the Issuer’s Senior Lien Reserve Fund Reimbursement Warrants, authorized to be issued pursuant to this First Supplemental Indenture on or after March 1, 2014 in a maximum principal amount Outstanding at any one time of up to \$[Amount]. If the Senior Lien Reserve Fund Warrants are issued, such warrants shall be issued as Senior Lien Obligations and as Current Interest Obligations.

“Special Record Date” for the payment of any Defaulted Interest on the Reserve Fund Warrants means a date fixed by the Trustee pursuant to *Section 3.1(b)(7)* or *Section 3.2(l)*.

“Subordinate Lien Certificate of Issuance” has the meaning assigned in *Section 4.2(b)*

“Subordinate Lien Reserve Fund Warrant Trust Estate” has the meaning assigned in *Section 2.2(c)*.

“Subordinate Lien Reserve Fund Warrant Debt Service Fund” means the fund established pursuant to *Section 7.2*.

“Subordinate Lien Reserve Fund Warrant Issue Date” means each date on which a Subordinate Lien Reserve Fund Warrant is issued, which for each Subordinate Lien Reserve Fund Warrant shall be the same date as

the date of a related (i) draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, (ii) transfer of cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Subordinate Lien Reserve Fund Letter of Credit from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants, (iii) transfer of cash obtained by the Trustee pursuant to a draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit due to the failure of JPMorgan Chase Bank to deliver collateral from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants, or (iv) transfer of collateral pursuant to **Section 9.7** of the Original Indenture from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants. The Subordinate Lien Reserve Fund Warrant Issue Date shall be conclusively proved by the respective Subordinate Lien Certificate of Issuance.

“Subordinate Lien Reserve Fund Warrants” means the Issuer’s Subordinate Lien Reserve Fund Reimbursement Warrants, authorized to be issued pursuant to this First Supplemental Indenture on or after March 1, 2014 in a maximum principal amount Outstanding at any one time of up to \$[Amount]. If the Subordinate Lien Reserve Fund Warrants are issued, such warrants shall be issued as Subordinate Lien Obligations and as Current Interest Obligations.

“Transfer Restriction Certificate” means the certificate provided for in **Section 4.1(c)** incorporating the representations therein contained.

“Trust Estate” means the General Trust Estate, the Series 2013 Senior Lien Trust Estate, Series 2013 Subordinate Lien Trust Estate, the Senior Lien Reserve Fund Warrant Trust Estate, the Subordinate Lien Reserve Fund Warrant Trust Estate, and for any particular series of additional Secured Obligations, the funds designated pursuant to **Section 8.2(a)(1)(H)** of the Original Indenture.

ARTICLE 2

Security for Payment

SECTION 2.1 Confirmation of Indenture

(a) The Issuer, the Trustee, and, by acceptance of the Reserve Fund Warrants, the Holders thereof, agree that this First Supplemental Indenture is delivered in supplement to the Original Indenture, as part thereof, and shall be construed in accordance with, and governed by, the terms of the Original Indenture.

(b) The Original Indenture, as hereby supplemented and amended, is hereby ratified, confirmed, and approved.

SECTION 2.2 Pledge and Assignment

(a) **General Trust Estate.** The Reserve Fund Warrants are payable from the General Trust Estate, including money on deposit in any funds or accounts included therein. The provisions of the Original Indenture, wherein the General Trust Estate is pledged for payment of all Secured Obligations issued under the Indenture, are hereby ratified and confirmed. If issued, the Senior Lien Reserve Fund Warrants are declared to be Senior Lien Obligations secured *pari passu* with all other Senior Lien Obligations issued from time to time under the Original Indenture with respect to the General Trust Estate. If issued, the Subordinate Lien Reserve Fund Warrants are declared to be Subordinate Lien Obligations secured *pari passu* with all other Subordinate Lien Obligations issued from time to time under the Original Indenture with respect to the General Trust Estate. Under the Indenture, Senior Lien Obligations have priority over Subordinate Lien Obligations.

(b) **Trust Estate for Benefit of the Senior Lien Reserve Fund Warrants.** To secure the payment of Debt Service on the Senior Lien Reserve Fund Warrants and the performance of the covenants contained in the Indenture that are for the benefit of the Senior Lien Reserve Fund Warrants, and in consideration of the premises and of the funding of draws under the Series 2013 Senior Lien Reserve Fund Letter of Credit, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Senior Lien Reserve Fund Warrant Debt Service Fund.

To Have and to Hold all such property, rights and privileges (collectively referred to as the “Senior Lien Reserve Fund Warrant Trust Estate”) unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Senior Lien Reserve Fund Warrants (without any priority of any such Senior Lien Reserve Fund Warrant over any other Senior Lien Reserve Fund Warrant).

Provided, However, that money and investments in the Senior Lien Reserve Fund Warrant Debt Service Fund may be applied for the purposes and on the terms and conditions set forth in this First Supplemental Indenture.

(c) **Trust Estate for Benefit of the Subordinate Lien Reserve Fund Warrants.** To secure the payment of Debt Service on the Subordinate Lien Reserve Fund Warrants and the performance of the covenants contained in the Indenture that are for the benefit of the Subordinate Lien Reserve Fund Warrants, and in consideration of the premises and of the funding of draws under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Subordinate Lien Reserve Fund Warrant Debt Service Fund.

To Have and to Hold all such property, rights and privileges (collectively referred to as the “Subordinate Lien Reserve Fund Warrant Trust Estate”) unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Subordinate Lien Reserve Fund Warrants (without any priority of any such Subordinate Lien Reserve Fund Warrant over any other Subordinate Lien Reserve Fund Warrant).

Provided, However, that money and investments in the Subordinate Lien Reserve Fund Warrant Debt Service Fund may be applied for the purposes and on the terms and conditions set forth in this First Supplemental Indenture.

ARTICLE 3

Registration, Transfer, Exchange and Payment of the Reserve Fund Warrants

SECTION 3.1 Book-Entry System for the Reserve Fund Warrants

(a) The ownership, transfer, exchange and payment of Reserve Fund Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to **Section 3.1(c)**.

(b) Except as otherwise expressly provided in this First Supplemental Indenture, while Reserve Fund Warrants are in the Book Entry System the following provisions shall apply:

(1) In order to facilitate the Book Entry System, on or before the date of initial issuance and delivery of Reserve Fund Warrants hereunder, a physical certificate or physical certificates for the Reserve Fund Warrants shall be executed, registered in the Reserve Fund Warrant Register in the name of DTC or its nominee, and delivered to DTC for safekeeping (including safekeeping by the Trustee pursuant to the “FAST” system or other procedures of the Book Entry System).

(2) The term “Reserve Fund Warrant” means each separate security credited to a beneficial owner, or entitlement holder, pursuant to the Book Entry System, and the term “Holder” means the person identified pursuant to the Book Entry System as the beneficial owner of the related security.

(3) The terms and limitations of this First Supplemental Indenture with respect to each separate Reserve Fund Warrant shall be applicable to each separate security credited to a beneficial owner under the Book Entry System.

(4) All payments of Debt Service on the Reserve Fund Warrants shall be made by the Trustee through the Book Entry System, and payments by such method shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to such payments.

(5) Transfers and exchanges of Reserve Fund Warrants shall be reflected on the records of DTC in accordance with the Book Entry System.

(6) No service charge shall be made for any transfer or exchange of Reserve Fund Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Reserve Fund Warrants.

(7) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Reserve Fund Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Reserve Fund Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given pursuant to the Book Entry System to each Holder as listed in the Reserve Fund Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been given as aforesaid payment of such Defaulted Interest shall be made through the Book Entry System.

(8) Subject to the foregoing provisions of this Section, each Reserve Fund Warrant delivered under this First Supplemental Indenture upon transfer of or in exchange for or in lieu of any other Reserve Fund Warrant shall carry all the rights to unpaid principal and interest accrued and unpaid, and to accrue, which were carried by such other Reserve Fund Warrant and each such Reserve Fund Warrant shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(c) The Trustee shall discontinue the Book Entry System at the request of the Issuer. The Trustee may terminate the Book Entry System without direction from, or consent of, the Issuer if the Trustee determines in good faith that termination is in the best interest of the Holders. Notice of termination of the Book Entry System shall be given to Holders not less than 20 days before such termination is effective.

(d) If the Book Entry System is discontinued, (i) a physical certificate or physical certificates shall be executed, authenticated and delivered to each beneficial owner, or entitlement holder, under the Book Entry System in accordance with such holder's ownership of Reserve Fund Warrants, (ii) such certificates shall be registered in the Reserve Fund Warrant Register maintained by the Trustee, and (iii) the remaining provisions of this Article shall govern the registration, transfer, exchange and payment of Reserve Fund Warrants.

SECTION 3.2 Alternate Provisions Regarding Payment, Registration, Transfer and Exchange of Reserve Fund Warrants

(a) If the Book Entry System is discontinued, the provisions of this Section shall control the registration, transfer, exchange and payment of Reserve Fund Warrants.

(b) Payment of Debt Service on the Reserve Fund Warrants shall be made as follows:

(1) Payment of principal of or interest on the Reserve Fund Warrants which is due on any Reserve Fund Warrant Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Reserve Fund Warrant Register. Such payments of principal or interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

(2) Final payment of the principal of the Reserve Fund Warrants and payment of principal of and accrued interest on the Reserve Fund Warrants due upon redemption on any date other than a Reserve Fund Warrant Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(3) Upon the written request of any Holder, the Trustee shall make payments of Debt Service by wire transfer, provided that (i) such request contains adequate instructions for the method of payment, and (ii) payment of the principal of such Reserve Fund Warrants and payment of the accrued interest on such Reserve Fund Warrants due upon redemption on any date other than a Reserve Fund Warrant Payment Date shall be made only upon surrender of such Reserve Fund Warrants to the Trustee.

(c) Subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Reserve Fund Warrants and registration of transfers of Reserve Fund Warrants entitled to be registered or transferred as herein provided in the Reserve Fund Warrant Register.

(d) Upon surrender for transfer of any Reserve Fund Warrant at the Office of the Trustee, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Reserve Fund Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount.

(e) At the option of the Holder, Reserve Fund Warrants may be exchanged for other Reserve Fund Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Reserve Fund Warrants to be exchanged at the Office of the Trustee. Whenever any Reserve Fund Warrants are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Reserve Fund Warrants which the Holder making the exchange is entitled to receive.

(f) Subject to *Section 7.9* of the Original Indenture, all Reserve Fund Warrants surrendered for payment or redemption (after the payment or redemption thereof) or for transfer or exchange, shall be promptly cancelled by the Trustee. The Trustee may destroy cancelled certificates. No Reserve Fund Warrant shall be authenticated in lieu of or in exchange for any Reserve Fund Warrant cancelled as provided in this Section, except as expressly provided by this First Supplemental Indenture.

(g) All Reserve Fund Warrants issued upon any transfer or exchange of Reserve Fund Warrants shall be the valid obligations of the Issuer and entitled to the same security and benefits under this First Supplemental Indenture as the Reserve Fund Warrants surrendered upon such transfer or exchange.

(h) Every Reserve Fund Warrant presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer.

(i) No service charge shall be made for any transfer or exchange of Reserve Fund Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Reserve Fund Warrants.

(j) The Issuer shall not be required (i) to transfer or exchange any Reserve Fund Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Reserve Fund Warrants and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Reserve Fund Warrant so selected for redemption in whole or in part.

(k) Interest on any Reserve Fund Warrant which is payable, and is punctually paid or duly provided for, on any Reserve Fund Warrant Payment Date shall be paid to the person in whose name that Reserve Fund Warrant is registered at the close of business on the Regular Record Date for such Reserve Fund Warrant Payment Date.

(l) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Reserve Fund Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Reserve Fund Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Reserve Fund Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Reserve Fund Warrants are registered on such Special Record Date.

(m) Subject to the foregoing provisions of this Section, each Reserve Fund Warrant delivered under this First Supplemental Indenture upon transfer of or in exchange for or in lieu of any other Reserve Fund Warrant shall carry all the rights to unpaid principal and interest accrued and unpaid, and to accrue, which were carried by such other Reserve Fund Warrant and each such Reserve Fund Warrant shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(n) In the event any Reserve Fund Warrant is mutilated, lost, stolen or destroyed, the Issuer may execute, and the Trustee shall thereupon authenticate and deliver, a replacement Reserve Fund Warrant of like Tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Reserve Fund Warrant, such Reserve Fund Warrant is first surrendered to the Trustee, and (b) in the case of any such lost, stolen or destroyed Reserve Fund Warrant, there is first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to each of them. The Issuer may charge the Holder with the expense of issuing any such replacement Reserve Fund Warrant.

SECTION 3.3 Persons Deemed Owners

The Holder of a Reserve Fund Warrant shall be treated as the owner of such Secured Obligation for purposes of this First Supplemental Indenture.

SECTION 3.4 Trustee as Paying Agent and Registrar

Debt Service on the Reserve Fund Warrants shall be payable on behalf of the Issuer by the Trustee, which is hereby designated as the paying agent of the Issuer for purposes of this First Supplemental Indenture. The Trustee is hereby appointed as agent of the Issuer solely for the purpose of registering Reserve Fund Warrants and transfers of Reserve Fund Warrants as provided in this First Supplemental Indenture.

SECTION 3.5 Payments Due on Non-Business Days

If any payment on the Reserve Fund Warrants is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

ARTICLE 4

The Reserve Fund Warrants

SECTION 4.1 Specific Title and Terms of the Senior Lien Reserve Fund Warrants

(a) **Title, Amount and Lien Status.** An additional series of Secured Obligations authorized to be issued hereunder shall be issued as Senior Lien Obligations and, when and if issued, shall be entitled “Senior Lien Reserve Fund Reimbursement Warrants”. The aggregate principal amount of Senior Lien Reserve Fund Warrants that may be issued and Outstanding hereunder shall not exceed, at any one time, \$[Amount]. The Senior Lien Reserve Fund Warrants shall be issued as Current Interest Obligations. No Credit Enhancement shall be applicable to the Senior Lien Reserve Fund Warrants.

(b) **Issuance of the Senior Lien Reserve Fund Warrants.** The Senior Lien Reserve Fund Warrants shall be issued from time to time in accordance with the provisions of this Section. No Senior Lien Reserve Fund Warrant may be issued before March 1, 2014. The Issuer hereby authorizes and directs the Trustee to issue Senior Lien Reserve Fund Warrants for the sole purpose of reimbursing JPMorgan Chase Bank for, and in consideration of, (i) draws on the Series 2013 Senior Lien Reserve Fund Letter of Credit, (ii) transfers of cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Senior Lien Reserve Fund Letter of Credit from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants, (iii) transfers of cash obtained by the Trustee pursuant to a draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit due to the failure of JPMorgan Chase Bank to deliver collateral from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants, or (iv) transfers of collateral pursuant to **Section 9.6** of the Original Indenture from the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Debt Service Fund to pay Debt Service on the Warrants. To issue and deliver a Senior Lien Reserve Fund Warrant, the Trustee shall complete a Senior Lien Certificate of Issuance in the form attached hereto as **Exhibit 4.1(b)** (each a “Senior Lien Certificate of Issuance”) and attach each such certificate to the physical certificate evidencing such Senior Lien Reserve Fund Warrant held by the Trustee pursuant to **Section 3.1(b)(1)** or, if the Book Entry System is no longer in effect, the physical certificate delivered in accordance with **Section 3.2**. Each Senior Lien Certificate of Issuance shall contain the following information:

- (1) the Senior Lien Reserve Fund Warrant Issue Date,
- (2) the principal amount of such Senior Lien Reserve Fund Warrant,
- (3) the maturity date of such Senior Lien Reserve Fund Warrant, which shall comply with the provisions of **Section 4.1(f)**,
- (4) the CUSIP number of such Senior Lien Reserve Fund Warrant, and
- (5) the original signature of the Trustee issuing and authenticating such Senior Lien Reserve Fund Warrant.

Notwithstanding any provision of the Indenture to the contrary, if JPMorgan Chase Bank fails to honor a draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit, the Trustee shall revoke the Senior Lien Certificate of Issuance relating to such unhonored draw, cancel the same on the records of the Book Entry System, and no payment obligation shall arise thereunder. Cancellation of any one Senior Lien Certificate of Issuance shall not affect the validity of other Outstanding Senior Lien Reserve Fund Warrants.

(c) **Delivery of Senior Lien Reserve Fund Warrants.** The Trustee shall deliver each Senior Lien Reserve Fund Warrant in accordance with the rules and operational arrangements of DTC, as specified by written instructions and certifications of JPMorgan Chase Bank in the form attached hereto as **Exhibit 4.1(c)** (the “Transfer Restriction Certificate”). Senior Lien Reserve Fund Warrants may only be delivered upon initial issuance in accordance with the Transfer Restriction Certificate and to no other Person. The Transfer Restriction Certificate

shall be delivered by JPMorgan Chase Bank upon execution of this First Supplemental Indenture and may be updated as needed by JPMorgan Chase Bank.

(d) **Authorized Denominations.** The Senior Lien Reserve Fund Warrants shall be in Authorized Denominations.

(e) **Form and Number.** The Senior Lien Reserve Fund Warrants shall be issuable as registered warrants without coupons. The Senior Lien Reserve Fund Warrants shall be numbered separately from 1 upward by notation on each Senior Lien Certificate of Issuance. In order to facilitate the Book Entry System, a single Reserve Fund Warrant certificate for all Senior Lien Reserve Fund Warrants shall be delivered to the Trustee. Senior Lien Reserve Fund Warrants of the same Tenor shall be evidenced by a Senior Lien Certificate of Issuance. The Senior Lien Reserve Fund Warrants shall be substantially as set forth in *Exhibit 4.1(e)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this First Supplemental Indenture.

(f) **Dated Date and Maturity Date.** Each Senior Lien Reserve Fund Warrant shall be dated the date of its issuance (the date of delivery of the related Senior Lien Certificate of Issuance). Senior Lien Reserve Fund Warrants shall mature on the date determined as follows:

(1) if the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is on or before January 1, 2022, such Senior Lien Reserve Fund Warrant shall mature on October 1, 2033;

(2) if the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is after January 1, 2022 and on or before April 1, 2042, such Senior Lien Reserve Fund Warrant shall mature on the January 1, April 1, July 1 or October 1 last occurring prior to the date which is twelve years from the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant; or

(3) if the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is after April 1, 2042, such Senior Lien Reserve Fund Warrant shall mature on March 1, 2054.

(g) **Interest Rate.** Each Reserve Fund Warrant shall bear interest at the following rates:

(1) for the period beginning on the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant and ending twenty-four months after such Senior Lien Reserve Fund Warrant Issue Date, [_____] % per annum; and

(2) beginning on and including the first day of the twenty-fifth month following the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant, [_____] % per annum;

provided that, if the Issuer and JPMorgan Chase Bank are unable to jointly obtain, at their reasonable shared cost, an Approving Tax Opinion or Favorable Ruling within six months of the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant, then the rate of interest applicable to such Senior Lien Reserve Fund Warrant shall increase to [_____] % per annum beginning on the first day of the seventh month following the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant. [This is (g)(1) divided by .65]. The Issuer shall provide the Trustee with a copy of any Approving Tax Opinion or Favorable Ruling upon receipt, and absent actual receipt of such Approving Tax Opinion or Favorable Ruling, the Trustee shall conclusively assume that such document has not been obtained.

(h) **Interest Payment Dates.** Interest on the Senior Lien Reserve Fund Warrants shall be payable in arrears on (i) January 1, April 1, July 1 and October 1 in each year, beginning on the first applicable date following issuance of a Senior Lien Reserve Fund Warrant, and (ii) the Maturity Date.

(i) **Principal Payment Dates.** Principal on the Senior Lien Reserve Fund Warrants shall be payable as follows:

(1) if the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is on or before January 1, 2022, the principal of such Senior Lien Reserve Fund Warrant shall be payable in forty equal quarterly installments commencing on January 1, 2024 and quarterly thereafter on each April 1, July 1, October 1 and January 1 until paid in full;

(2) if the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is after January 1, 2022, but on or before April 1, 2042, the principal of such Senior Lien Reserve Fund Warrant shall be payable in forty equal quarterly installments commencing on the first January 1, April 1, July 1 or October 1 occurring at least 24 months following the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until paid in full; or

(3) If the Senior Lien Reserve Fund Warrant Issue Date of a Senior Lien Reserve Fund Warrant is after April 1, 2042, the principal of such Senior Lien Reserve Fund Warrant shall be amortized on the basis of forty equal quarterly installments and shall be payable according to such amortization commencing on the first January 1, April 1, July 1 or October 1 occurring at least 24 months following the Senior Lien Reserve Fund Warrant Issue Date of such Senior Lien Reserve Fund Warrant, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until March 1, 2054; provided that all unpaid principal of any Senior Lien Reserve Fund Warrant shall be payable in full on March 1, 2054.

(j) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay principal and interest to DTC, and such payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the principal or interest due on any Reserve Fund Warrant Payment Date for the Senior Lien Reserve Fund Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Reserve Fund Warrant Payment Date.

(k) **Computation of Interest Accrual.** The Senior Lien Reserve Fund Warrants shall bear interest from their Senior Lien Reserve Fund Warrant Issue Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(l) **Interest on Overdue Payments.** Interest shall be payable on overdue principal of the Senior Lien Reserve Fund Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Senior Lien Reserve Fund Warrants at the Post-Default Rate.

(m) **Execution and Authentication.** Physical certificates evidencing the Senior Lien Reserve Fund Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the Issuer (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Senior Lien Reserve Fund Warrants may be manual or, to the extent permitted by law, facsimile. Senior Lien Reserve Fund Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Senior Lien Reserve Fund Warrants. No Senior Lien Reserve Fund Warrant shall be secured by, or be entitled to any lien, right or benefit under, the Indenture or be valid or obligatory for any purpose, unless there is attached to such Senior Lien Reserve Fund Warrant a Senior Lien Certificate of Issuance in the form provided in *Exhibit 4.1(b)* which shall contain a certificate of authentication substantially in the form provided for therein, executed by the Trustee by manual signature, and such certificate attached to any Senior Lien Reserve Fund Warrant shall be conclusive evidence, and the only evidence, that such Senior Lien Reserve Fund Warrant has been duly issued, authenticated and delivered hereunder.

(n) **Currency for Payment.** Payment of Debt Service on the Senior Lien Reserve Fund Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 4.2 Specific Title and Terms of the Subordinate Lien Reserve Fund Warrants

(a) **Title, Amount and Lien Status.** An additional series of Secured Obligations authorized to be issued hereunder shall be issued as Subordinate Lien Obligations and, when and if issued, shall be entitled “Subordinate Lien Reserve Fund Reimbursement Warrants”. The aggregate principal amount of Subordinate Lien Reserve Fund Warrants that may be issued and Outstanding hereunder shall not exceed, at any one time, \$[Amount]. The Subordinate Lien Reserve Fund Warrants shall be issued as Current Interest Obligations. No Credit Enhancement shall be applicable to the Subordinate Lien Reserve Fund Warrants.

(b) **Issuance of the Subordinate Lien Reserve Fund Warrants.** The Subordinate Lien Reserve Fund Warrants shall be issued from time to time in accordance with the provisions of this Section. No Subordinate Lien Reserve Fund Warrant may be issued before March 1, 2014. The Issuer hereby authorizes and directs the Trustee to issue Subordinate Lien Reserve Fund Warrants for the sole purpose of reimbursing JPMorgan Chase Bank for, and in consideration of, (i) draws on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, (ii) transfers of cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Subordinate Lien Reserve Fund Letter of Credit from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants, (iii) transfers of cash obtained by the Trustee pursuant to a draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit due to the failure of JPMorgan Chase Bank to deliver collateral from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants, or (iv) transfers of collateral pursuant to **Section 9.7** of the Original Indenture from the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Debt Service Fund to pay Debt Service on the Warrants. To issue and deliver a Subordinate Lien Reserve Fund Warrant, the Trustee shall complete a Subordinate Lien Certificate of Issuance in the form attached hereto as **Exhibit 4.2(b)** (each a “Subordinate Lien Certificate of Issuance”) and attach each such certificate to the physical certificate evidencing such Subordinate Lien Reserve Fund Warrant held by the Trustee pursuant to **Section 3.1(b)(1)** or, if the Book Entry System is no longer in effect, the physical certificate delivered in accordance with **Section 3.2**. Each Subordinate Lien Certificate of Issuance shall contain the following information:

- (1) Subordinate Lien Reserve Fund Warrant Issue Date,
- (2) the principal amount of such Subordinate Lien Reserve Fund Warrant,
- (3) the maturity date of such Subordinate Lien Reserve Fund Warrant, which shall comply with the provisions of **Section 4.2(f)**,
- (4) the CUSIP number of such Subordinate Lien Reserve Fund Warrant, and
- (5) the original signature of the Trustee issuing and authenticating such Subordinate Lien Reserve Fund Warrant.

Notwithstanding any provision of the Indenture to the contrary, if JPMorgan Chase Bank fails to honor a draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the Trustee shall revoke the Subordinate Lien Certificate of Issuance relating to such unhonored draw, cancel the same on the records of the Book Entry System, and no payment obligation shall arise thereunder. Cancellation of any one Subordinate Lien Certificate of Issuance shall not affect the validity of other Outstanding Subordinate Lien Reserve Fund Warrants.

(c) **Delivery of Subordinate Lien Reserve Fund Warrants.** The Trustee shall deliver each Subordinate Lien Reserve Fund Warrant in accordance with the rules and operational arrangements of DTC, as specified by written instructions and certifications contained in the Transfer Restriction Certificate. Subordinate Lien Reserve Fund Warrants may only be delivered upon initial issuance in accordance with the Transfer Restriction Certificate and to no other Person. The Transfer Restriction Certificate shall be delivered by JPMorgan Chase Bank upon execution of this First Supplemental Indenture and may be updated as needed by JPMorgan Chase Bank.

(d) **Authorized Denominations.** The Subordinate Lien Reserve Fund Warrants shall be in Authorized Denominations.

(e) **Form and Number.** The Subordinate Lien Reserve Fund Warrants shall be issuable as registered warrants without coupons. The Subordinate Lien Reserve Fund Warrants shall be numbered separately from 1 upward by notation on each Subordinate Lien Certificate of Issuance. In order to facilitate the Book Entry System, a single Reserve Fund Warrant certificate for all Subordinate Lien Reserve Fund Warrants shall be delivered to the Trustee. Subordinate Lien Reserve Fund Warrants of the same Tenor shall be evidenced by a Subordinate Lien Certificate of Issuance. The Subordinate Lien Reserve Fund Warrants shall be substantially as set forth in *Exhibit 4.2(e)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this First Supplemental Indenture.

(f) **Dated Date and Maturity Date.** Each Subordinate Lien Reserve Fund Warrant shall be dated the date of its issuance (the date of delivery of the related Subordinate Lien Certificate of Issuance). Subordinate Lien Reserve Fund Warrants shall mature on the date determined as follows:

(1) if the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is on or before January 1, 2022, such Subordinate Lien Reserve Fund Warrant shall mature on October 1, 2033;

(2) if the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is after January 1, 2022 and on or before April 1, 2042, such Subordinate Lien Reserve Fund Warrant shall mature on the January 1, April 1, July 1 or October 1 last occurring prior to the date which is twelve years from the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant; or

(3) if the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is after April 1, 2042, such Subordinate Lien Reserve Fund Warrant shall mature on March 1, 2054.

(g) **Interest Rate.** Each Reserve Fund Warrant shall bear interest at the following rates:

(1) for the period beginning on the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant and ending twenty-four months after such Subordinate Lien Reserve Fund Warrant Issue Date, [_____] % per annum, and

(2) beginning on and including the first date of the twenty-fifth month following the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant, [_____] % per annum.

provided that, if the Issuer and JPMorgan Chase Bank are unable to jointly obtain, at their reasonable shared cost, an Approving Tax Opinion or Favorable Ruling within six months of the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant, then the rate of interest applicable to such Subordinate Lien Reserve Fund Warrant shall increase to [_____] % per annum beginning on the first day of the seventh month following the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant. [This is (g)(1) divided by .65]. The Issuer shall provide the Trustee with a copy of any Approving Tax Opinion or Favorable Ruling upon receipt, and absent actual receipt of such Approving Tax Opinion or Favorable Ruling, the Trustee shall conclusively assume that such document has not been obtained.

(h) **Interest Payment Dates.** Interest on the Subordinate Lien Reserve Fund Warrants shall be payable in arrears on (i) January 1, April 1, July 1 and October 1 in each year, beginning on the first applicable date following issuance of a Subordinate Lien Reserve Fund Warrant, and (ii) the Maturity Date.

(i) **Principal Payment Dates.** Principal on the Subordinate Lien Reserve Fund Warrants shall be payable as follows:

(1) if the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is on or before January 1, 2022, the principal of such Subordinate Lien Reserve Fund

Warrant shall be payable in forty equal quarterly installments commencing on January 1, 2024 and quarterly thereafter on each April 1, July 1, October 1 and January 1 until paid in full;

(2) if the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is after January 1, 2022, but on or before April 1, 2042, the principal of such Subordinate Lien Reserve Fund Warrant shall be payable in forty equal quarterly installments commencing on the first January 1, April 1, July 1 or October 1 occurring at least 24 months following the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until paid in full; or

(3) If the Subordinate Lien Reserve Fund Warrant Issue Date of a Subordinate Lien Reserve Fund Warrant is after April 1, 2042, the principal of such Subordinate Lien Reserve Fund Warrant shall be amortized on the basis of forty equal quarterly installments and shall be payable according to such amortization commencing on the first January 1, April 1, July 1 or October 1 occurring at least 24 months following the Subordinate Lien Reserve Fund Warrant Issue Date of such Subordinate Lien Reserve Fund Warrant, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until March 1, 2054; provided that all unpaid principal of any Subordinate Lien Reserve Fund Warrant shall be payable in full on March 1, 2054.

(j) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay principal and interest to DTC, and such payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the principal or interest due on any Reserve Fund Warrant Payment Date for the Subordinate Lien Reserve Fund Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Reserve Fund Warrant Payment Date.

(k) **Computation of Interest Accrual.** The Subordinate Lien Reserve Fund Warrants shall bear interest from their Subordinate Lien Reserve Fund Warrant Issue Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(l) **Interest on Overdue Payments.** Interest shall be payable on overdue principal of the Subordinate Lien Reserve Fund Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Subordinate Lien Reserve Fund Warrants at the Post-Default Rate.

(m) **Execution and Authentication.** Physical certificates evidencing the Subordinate Lien Reserve Fund Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the Issuer (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Subordinate Lien Reserve Fund Warrants may be manual or, to the extent permitted by law, facsimile. Subordinate Lien Reserve Fund Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Subordinate Lien Reserve Fund Warrants. No Subordinate Lien Reserve Fund Warrant shall be secured by, or be entitled to any lien, right or benefit under, the Indenture or be valid or obligatory for any purpose, unless there is attached to such Subordinate Lien Reserve Fund Warrant a Subordinate Lien Certificate of Issuance in the form provided in *Exhibit 4.2(b)* which shall contain a certificate of authentication substantially in the form provided for therein, executed by the Trustee by manual signature, and such certificate attached to any Subordinate Lien Reserve Fund Warrant shall be conclusive evidence, and the only evidence, that such Subordinate Lien Reserve Fund Warrant has been duly issued, authenticated and delivered hereunder.

(n) **Currency for Payment.** Payment of Debt Service on the Subordinate Lien Reserve Fund Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

ARTICLE 5

Repurchases and Tenders

SECTION 5.1 No Optional Tender Rights for Holders

The Holders of the Reserve Fund Warrants will not have the right or the obligation to tender Reserve Fund Warrants for purchase by the Issuer.

ARTICLE 6

Redemption of Reserve Fund Warrants

SECTION 6.1 Redemption Provisions

The Reserve Fund Warrants shall be subject to redemption at the option and direction of the Issuer in whole or in part on any Business Day at a redemption price equal to par (100% of the principal amount of such Reserve Fund Warrant redeemed) plus accrued interest thereon to the date of redemption.

SECTION 6.2 Election to Redeem

The election of the Issuer to exercise any right of optional redemption of the Reserve Fund Warrants shall be authorized by a certificate of an Authorized Issuer Representative at least three Business Days prior to the date when notice of the redemption must be given to Holders (unless a shorter notice is acceptable to the Trustee), which certificate shall be in the form provided in *Exhibit 6.2* and shall specify (i) the principal amount of Reserve Fund Warrants to be redeemed (if less than all Reserve Fund Warrants Outstanding are to be redeemed pursuant to such option), (ii) the issue date and Tenor of Reserve Fund Warrants to be redeemed, (iii) the redemption date, and (iv) any conditions to such redemption specified in accordance with the provisions of *Section 6.4(d)*. If the Issuer intends to utilize funds in the Series 2013 Senior Lien Reserve Fund to redeem Senior Lien Reserve Fund Warrants, the Issuer shall deliver to the Trustee a certificate described in *Section 9.6(g)* of the Original Indenture. If the Issuer intends to utilize funds in the Series 2013 Subordinate Lien Reserve Fund to redeem Subordinate Lien Reserve Fund Warrants, the Issuer shall deliver to the Trustee a certificate described in *Section 9.7(g)* of the Original Indenture.

SECTION 6.3 Selection by Trustee of Reserve Fund Warrants to be Redeemed

(a) Except as otherwise provided in the specific redemption provisions for the Reserve Fund Warrants, if less than all Reserve Fund Warrants Outstanding are to be redeemed, the principal amount of Reserve Fund Warrants of each Tenor to be redeemed may be specified by the Issuer by notice delivered to the Trustee pursuant to *Section 6.2*, or, in the absence of timely receipt by the Trustee of such notice, shall be determined in accordance with the Book Entry System or, if the Book Entry System is no longer in effect, by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount of Reserve Fund Warrants of each Tenor to be redeemed may not be larger than the principal amount of Reserve Fund Warrants of such Tenor then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

(b) The Trustee shall promptly notify the Issuer of the Reserve Fund Warrants selected for redemption and, in the case of any Reserve Fund Warrant selected for partial redemption, the principal amount thereof to be redeemed.

(c) For all purposes of the Indenture, unless the context otherwise requires, all provisions relating to the redemption of Reserve Fund Warrants shall relate, in the case of any Reserve Fund Warrant redeemed or to be redeemed only in part, to the portion of the principal of such Reserve Fund Warrant which has been or is to be redeemed.

SECTION 6.4 Notice of Redemption

(a) Notice of redemption shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be

forwarded by DTC to Holders through methods established by the rules and operational arrangements of DTC. If the Book Entry System is not in effect, notice of redemption shall be given to Holders by certified mail.

(b) All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price (which shall be par),
- (3) the principal amount of Reserve Fund Warrants to be redeemed, and, if less than all Outstanding Reserve Fund Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Reserve Fund Warrants to be redeemed,
- (4) that on the redemption date the redemption price of each of the Reserve Fund Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and
- (5) any conditions to such redemption specified in accordance with the provisions of **Section 6.4(d)**.

(c) Notice of optional redemption shall be given by the Trustee on behalf of the Issuer unless the Issuer elects to give such notice itself. If the Issuer gives notice of optional redemption, it shall deliver a copy of such notice to the Trustee on the following Business Day.

(d) A notice of optional redemption may state that the redemption of Reserve Fund Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Reserve Fund Warrants (or portions thereof) identified in such notice, and any Reserve Fund Warrants surrendered on the specified redemption date shall be returned to the Holders of such Reserve Fund Warrants.

SECTION 6.5 Deposit of Redemption Price

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Reserve Fund Warrants which are to be redeemed on that date shall be deposited with the Trustee or transferred from the Series 2013 Senior Lien Reserve Fund with respect to Senior Lien Reserve Fund Warrants or Series 2013 Subordinate Lien Reserve Fund with respect to Subordinate Lien Reserve Fund Warrants, as permitted by the Original Indenture, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

SECTION 6.6 Reserve Fund Warrants Payable on Redemption Date

If notice of redemption is given and any conditions to such redemption specified pursuant to **Section 6.4(d)** are met, the Reserve Fund Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Reserve Fund Warrants shall cease to bear interest.

SECTION 6.7 Reserve Fund Warrants Redeemed in Part

(a) If the Book Entry System is in effect, partial redemption of any Reserve Fund Warrant shall be effected in accordance with the Book Entry System.

(b) If the Book Entry System has been terminated, any Reserve Fund Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Reserve Fund Warrant, without service charge, a new Reserve Fund Warrant or Reserve Fund Warrants of the same Tenor and of

any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Reserve Fund Warrant surrendered.

SECTION 6.8 Purchase of Reserve Fund Warrants in Lieu of Redemption

The Issuer shall have the option to purchase Reserve Fund Warrants in lieu of optional redemption either directly or through a nominee designated by the Issuer. If a Reserve Fund Warrant has been called for optional redemption, the Issuer may exercise its right of purchase by delivery to the Trustee on or prior to the Business Day preceding the optional redemption date of written notice from the Issuer specifying that the Reserve Fund Warrants shall not be redeemed, but instead shall be purchased pursuant to this Section. If the Issuer desires to effect its right of purchase through a nominee, the written notice shall specify the Issuer's nominee and that the nominee is acting on behalf of the Issuer. Upon delivery of such notice from the Issuer, the Reserve Fund Warrants shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Reserve Fund Warrants. The Issuer's option to purchase pursuant to this Section shall be effective whether or not the notice of optional redemption sent to Reserve Fund Warrantholders indicates that the Issuer has exercised, or intends to exercise, such option. No further or additional notice to Reserve Fund Warrantholders shall be required in connection with the purchase in lieu of redemption. The Reserve Fund Warrants purchased pursuant to this Section shall be delivered to the Trustee for cancellation.

ARTICLE 7

Additional Indenture Funds

SECTION 7.1 Senior Lien Reserve Fund Warrant Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Senior Lien Reserve Fund Warrant Debt Service Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Senior Lien Reserve Fund Warrant Debt Service Fund. The Senior Lien Reserve Fund Warrant Debt Service Fund shall be part of the Senior Lien Reserve Fund Warrant Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Senior Lien Reserve Fund Warrants. The Senior Lien Reserve Fund Warrant Debt Service Fund shall constitute a Senior Lien Debt Service Fund under the Indenture.

(b) Deposits shall be made to the Senior Lien Reserve Fund Warrant Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Senior Lien Reserve Fund Warrant Debt Service Fund an amount equal to 1/6 of the interest payable on the Senior Lien Reserve Fund Warrants on the next Interest Payment Date; provided, however, that if the period from the date of issuance of any Senior Lien Reserve Fund Warrant until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if principal of Senior Lien Reserve Fund Warrants is payable within the next three months, the Trustee shall deposit in the Senior Lien Reserve Fund Warrant Debt Service Fund an amount equal to 1/3 of such principal amount; provided, however, that if the period from the date of issuance of any Senior Lien Reserve Fund Warrant until such principal is payable is less than three months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal on such first principal payment date.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Senior Lien Reserve Fund Warrant Debt Service Fund that have not been credited against prior deposits.

(c) On each Reserve Fund Warrant Payment Date, money in the Senior Lien Reserve Fund Warrant Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Senior Lien Reserve Fund Warrants.

(d) If money on deposit in the Senior Lien Reserve Fund Warrant Debt Service Fund on any Reserve Fund Warrant Payment Date is sufficient to pay Debt Service on the Senior Lien Reserve Fund Warrants due and payable on such date, but the Holder of any Senior Lien Reserve Fund Warrant that matures on such date or that is subject to redemption on such date fails to surrender such Senior Lien Reserve Fund Warrant to the Trustee for payment of Debt Service due and payable on such date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Senior Lien Reserve Fund Warrant on such date. Money so segregated and held in trust shall not be a part of the Senior Lien Reserve Fund Warrant Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

SECTION 7.2 Subordinate Lien Reserve Fund Warrant Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the “Subordinate Lien Reserve Fund Warrant Debt Service Fund”. The Trustee shall be the depository, custodian and sole disbursing agent for the Subordinate Lien Reserve Fund Warrant Debt Service Fund. The Subordinate Lien Reserve Fund Warrant Debt Service Fund shall be part of the Subordinate Lien Reserve Fund Warrant Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Subordinate Lien Reserve Fund Warrants. The Subordinate Lien Reserve Fund Warrant Debt Service Fund shall constitute a Subordinate Lien Debt Service Fund under the Indenture.

(b) Deposits shall be made to the Subordinate Lien Reserve Fund Warrant Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Subordinate Lien Reserve Fund Warrant Debt Service Fund an amount equal to 1/6 of the interest payable on the Subordinate Lien Reserve Fund Warrants on the next Interest Payment Date; provided, however, that if the period from the date of issuance of any Subordinate Lien Reserve Fund Warrant until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if principal of Subordinate Lien Reserve Fund Warrants is payable within the next three months, the Trustee shall deposit in the Subordinate Lien Reserve Fund Warrant Debt Service Fund an amount equal to 1/3 of such principal amount; provided, however, that if the period from the date of issuance of any Subordinate Lien Reserve Fund Warrant until such principal is payable is less than three months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal on such first principal payment date.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Subordinate Lien Reserve Fund Warrant Debt Service Fund that have not been credited against prior deposits.

(c) On each Reserve Fund Warrant Payment Date, money in the Subordinate Lien Reserve Fund Warrant Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Subordinate Lien Reserve Fund Warrants.

(d) If money on deposit in the Subordinate Lien Reserve Fund Warrant Debt Service Fund on any Reserve Fund Warrant Payment Date is sufficient to pay Debt Service on the Subordinate Lien Reserve Fund Warrants due and payable on such date, but the Holder of any Subordinate Lien Reserve Fund Warrant that matures on such date or that is subject to redemption on such date fails to surrender such Subordinate Lien Reserve Fund Warrant to the Trustee for payment of Debt Service due and payable on such date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Subordinate Lien Reserve Fund Warrant on such date. Money so segregated and held in trust shall not be a part of the Subordinate Lien Reserve Fund Warrant Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

ARTICLE 8

Amendments of First Supplemental Indenture

SECTION 8.1 Rights of JPMorgan Chase Bank

In addition to any requirements of *Article 13* of the Original Indenture relating to whether the Issuer and the Trustee are required to obtain Holder consent of any amendment, the Issuer shall not amend or otherwise modify any of *Articles 1, 2, 3* or *9, Sections 8.2(a)(2), 10.9* or *12.8* of the Original Indenture or any provision of this First Supplemental Indenture in a way that could reasonably be expected to materially adversely affect the rights, duties or obligations of JPMorgan Chase Bank under or with respect to the Reserve Fund Warrants, the Series 2013 Senior Lien Reserve Fund Letter of Credit, the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the Series 2013 Senior Collateral Agreement or the Series 2013 Subordinate Collateral Agreement without the prior written consent of JPMorgan Chase Bank. For the avoidance of doubt, issuance of additional Secured Obligations in compliance with the provisions of *Article 8* of the Original Indenture (and the addition of any definitions to *Article 1* necessitated thereby) shall not be deemed to materially adversely affect the rights, duties or obligations of JPMorgan Chase Bank within the meaning of this Section.

ARTICLE 9

Provisions of General Application

SECTION 9.1 Governing Law

The Indenture, as previously supplemented and amended and as supplemented and amended hereby, shall be governed by the laws of the State of Alabama.

SECTION 9.2 CUSIP Numbers

The Issuer shall provide CUSIP numbers in sufficient quantity at its cost to provide for the issuance of Reserve Fund Warrants under the terms of this First Supplemental Indenture. The Trustee shall utilize CUSIP numbers for Reserve Fund Warrants in the order provided by the Issuer.

SECTION 9.3 Severability

If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4 Construction of First Supplemental Indenture

No provisions of this First Supplemental Indenture shall be construed to limit or restrict, either expressly or impliedly, the obligations of the Issuer contained in the Indenture or the powers of the trustee thereunder, nor shall the provisions of this First Supplemental Indenture be construed in any manner inconsistent with the provisions of the Indenture or in any manner that would adversely affect the interest of the Holders of any Outstanding Secured Obligations.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this instrument to be duly executed by their duly authorized officers.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____

Title: _____

This instrument was prepared by:

J. Foster Clark
J. Hobson Presley, Jr.
J. Thomas Longino
Balch & Bingham LLP
1901 Sixth Avenue North, Suite 1500
Birmingham, Alabama 35203-4642
(205) 251-8100

STATE OF ALABAMA

JEFFERSON COUNTY

I, _____, a Notary Public in and for said County in said State, do hereby certify that _____, whose name as President, Jefferson County Commission, of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said political subdivision.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires:_____

STATE OF _____

_____ COUNTY

I, _____, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as trustee, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires:_____

EXHIBIT 4.1(b)

Senior Lien Reserve Fund Warrant Certificate of Issuance

As authorized and directed by the Issuer in *Section 4.1(b)* of the First Supplemental Trust Indenture between Jefferson County, Alabama (the “Issuer”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Trustee hereby issues and delivers Senior Lien Reserve Fund Warrants of the following Tenor:

Number:

Senior Lien Reserve Fund Warrant Issue Date:

Maturity Date:

Principal Amount:

CUSIP:

The Trustee certifies to the Issuer that (A) this Certificate of Issuance is delivered contemporaneously with a draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit in an equivalent amount to the principal amount referenced above, and (B) if JPMorgan Chase Bank fails to honor the draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit, this Senior Lien Reserve Fund Warrant Certificate of Issuance shall be revoked, canceled on the records of the Book Entry System, and no payment obligation shall arise hereunder.

Therefore, this Senior Lien Reserve Fund Warrant Certificate of Issuance is hereby authenticated, as follows:

Certificate of Authentication

This is one of the Senior Lien Reserve Fund Warrants referred to in the First Supplemental Indenture. The Senior Lien Reserve Fund Warrants have been issued as Senior Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT 4.1(c)

Transfer Restriction Certificate of JPMorgan Chase Bank

To: Wells Fargo Bank, National Association, as trustee under the Indenture hereinafter referred to (the "Trustee"), and
Jefferson County, Alabama (the "Issuer")

TRANSFER RESTRICTION CERTIFICATE

JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank"), a national banking association and provider of the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, as such terms are defined in that certain Trust Indenture dated December 1, 2013 between the Issuer and the Trustee (the "Original Indenture"), as supplemented by a First Supplemental Trust Indenture dated December 1, 2013 between the Issuer and the Trustee (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture") hereby certifies as follows:

1. This Transfer Restriction Certificate is being provided to the Trustee and the Issuer under the requirements of **Sections 4.1(c)** and **4.2(c)** of the First Supplemental Indenture.

2. JPMorgan Chase Bank has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of owning the Reserve Fund Warrants.

3. Any Reserve Fund Warrant delivered to JPMorgan Chase Bank pursuant to the First Supplemental Indenture will be held for its own account and not with a present view toward resale or distribution; provided, however, that JPMorgan Chase Bank reserves the right to sell, transfer or redistribute the Reserve Fund Warrants, and agrees that any such sale, transfer or distribution by JPMorgan Chase Bank shall be to an entity that certifies in writing that (i) it is (a) an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "1933 Act"); or (b) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act; or (c) a "national bank" organized under the laws of the United States of America, and, in each case, (ii) it is able to bear the economic risks of acquiring the Reserve Fund Warrants.

4. JPMorgan Chase Bank is a "national bank" organized under the laws of the United States of America and is able to bear the economic risks of owning the Reserve Fund Warrants.

5. JPMorgan Chase Bank understands that no official statement, prospectus, offering circular, or other comprehensive offering statement has been provided with respect to the Reserve Fund Warrants. JPMorgan Chase Bank has made its own inquiry and analysis with respect to the Issuer, the Reserve Fund Warrants and the security provided for repayment of the Reserve Fund Warrants under the provisions of the Indenture.

6. JPMorgan Chase Bank understands that the Reserve Fund Warrants (a) are not registered under the 1933 Act and may not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) are not listed on any stock or other securities exchange, and (c) have not been rated by any credit rating agency.

7. The Trustee is authorized and directed to deliver Reserve Fund Warrants, if any are issued, in accordance with the following instructions:

[DTC delivery instructions/physical delivery instructions].

This certificate shall be valid for so long as it is on file at the Office of the Trustee.

Dated: _____, 2013.

JPMORGAN CHASE BANK, NATIONAL

ASSOCIATION

By _____
Authorized Signatory

EXHIBIT 4.1(e)

Form of Senior Lien Reserve Fund Warrants

ANY SALE, TRANSFER OR DISTRIBUTION OF THIS WARRANT SHALL BE TO AN ENTITY THAT CERTIFIES IN WRITING THAT (I) IT IS (A) AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A) PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”); OR (B) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT; OR (C) A “NATIONAL BANK” ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA, AND, IN EACH CASE, (II) IT IS ABLE TO BEAR THE ECONOMIC RISKS OF ACQUIRING THIS WARRANT.

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ____ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Reserve Fund Reimbursement Warrant

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the “Issuer”, which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) a maximum principal amount Outstanding at any one time of up to

_____ **DOLLARS**

in accordance with each Certificate of Issuance attached hereto and to pay interest hereon from the date of initial delivery of each warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified herein; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the “Original Indenture”), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the “Trustee”, which term includes any successor trustee under the Indenture), as supplemented by a First Supplemental Trust Indenture dated December 1, 2013 (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”). This warrant is part of a series of warrants issued by the Issuer under the Indenture in a maximum principal amount Outstanding at any one time of up to [\$Amount] and designated “Senior Lien Reserve Fund Reimbursement Warrants” (the “Senior Lien Reserve Fund Warrants”). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Senior Lien Reserve Fund Warrant Trust Estate (together, the “Trust Estate”). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness

or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Senior Lien Reserve Fund Warrants are being issued as Senior Lien Obligations. The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Senior Lien Reserve Fund Warrants, upon compliance with certain provisions of the Indenture. Subordinate Lien Reserve Fund Warrants may also be issued simultaneously with the issuance of the Senior Lien Reserve Fund Warrants, if any are issued, and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Senior Lien Reserve Fund Warrants is further secured by the Senior Lien Reserve Fund Warrant Trust Estate, which includes the Senior Lien Reserve Fund Warrant Debt Service Fund described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Senior Lien Reserve Fund Warrants.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Senior Lien Reserve Fund Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Senior Lien Reserve Fund Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Senior Lien Reserve Fund Warrants.

Applicable Interest Rate

This warrant shall bear interest at the following rates:

[insert specific interest rate provisions from Section 4.1(g)]

Computation of Interest Accrual

Interest on Senior Lien Reserve Fund Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on this warrant shall be payable in arrears on (i) April 1 and October 1 in each year, beginning on the first applicable date following issuance of this warrant, and (ii) the Maturity Date.

Principal Payment Dates

Principal on this warrant shall be payable on the following dates:

[insert from Section 4.1(i) of the First Supplemental Indenture]

Regular Record Date for Debt Service Payments

If the Book Entry System is in effect, the Trustee shall pay principal and interest on this warrant to DTC, and such principal and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the principal and interest due on any Reserve Fund Warrant Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Reserve Fund Warrant Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the First Supplemental Indenture.

Authorized Denominations

Senior Lien Reserve Fund Warrants may be in denominations of \$100,000 or any amount in excess thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Senior Lien Reserve Fund Warrants shall be subject to redemption at the option and direction of the Issuer in whole or in part on any Business Day at a redemption price equal to par (100% of the principal amount of such Senior Lien Reserve Fund Warrant redeemed) plus accrued interest thereon to the date of redemption.

If less than all Senior Lien Reserve Fund Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Senior Lien Reserve Fund Warrants to be redeemed.

Notice of redemption of any Senior Lien Reserve Fund Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Senior Lien Reserve Fund Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Senior Lien Reserve Fund Warrants (or portions thereof) identified in such notice, and any Senior Lien Reserve Fund Warrants surrendered on the specified redemption date shall be returned to the Holders of such Senior Lien Reserve Fund Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Senior Lien Reserve Fund Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Senior Lien Reserve Fund Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Senior Lien Reserve Fund Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Senior Lien Reserve Fund Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System is not in effect, any Senior Lien Reserve Fund Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Senior Lien Reserve Fund Warrant, without service charge, a new Senior Lien Reserve Fund Warrant or Senior Lien Reserve Fund Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Senior Lien Reserve Fund Warrant surrendered.

The Indenture permits the Issuer to purchase Senior Lien Reserve Fund Warrants that have been called for optional redemption in lieu of retiring such Senior Lien Reserve Fund Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Senior Lien Reserve Fund Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Senior Lien Reserve Fund Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that the Indenture and the Senior Lien Reserve Fund Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Senior Lien Reserve Fund Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Senior Lien Reserve Fund Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

NOTWITHSTANDING ANY PROVISION OF THIS WARRANT TO THE CONTRARY, UNLESS ONE OR MORE SENIOR LIEN CERTIFICATES OF ISSUANCE HAS BEEN EXECUTED BY THE TRUSTEE BY MANUAL SIGNATURE AND ATTACHED HERETO, THIS WARRANT SHALL NOT BE ENTITLED TO ANY BENEFIT UNDER THE INDENTURE OR BE VALID OR OBLIGATORY FOR ANY PURPOSE.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

* * *

Senior Lien Reserve Fund Warrant Certificates of Issuance appear on the following pages.

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 4.2(b)

Subordinate Lien Reserve Fund Warrant Certificate of Issuance

As authorized and directed by the Issuer in *Section 4.2(b)* of the First Supplemental Trust Indenture between Jefferson County, Alabama (the “Issuer”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Trustee hereby issues and delivers Subordinate Lien Reserve Fund Warrants of the following Tenor:

Number:

Subordinate Lien Reserve Fund Warrant Issue Date:

Maturity Date:

Principal Amount:

CUSIP:

The Trustee certifies to the Issuer that (A) this Certificate of Issuance is delivered contemporaneously with a draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in an equivalent amount to the principal amount referenced above, and (B) if JPMorgan Chase Bank fails to honor the draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, this Subordinate Lien Reserve Fund Warrant Certificate of Issuance shall be revoked, canceled on records of the Book Entry System, and no payment obligation shall arise hereunder.

Therefore, this Subordinate Lien Reserve Fund Warrant Certificate of Issuance is hereby authenticated, as follows:

Certificate of Authentication

This is one of the Subordinate Lien Reserve Fund Warrants referred to in the First Supplemental Indenture. The Subordinate Lien Reserve Fund Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT 4.2(e)

Form of Subordinate Lien Reserve Fund Warrants

ANY SALE, TRANSFER OR DISTRIBUTION OF THIS WARRANT SHALL BE TO AN ENTITY THAT CERTIFIES IN WRITING THAT (I) IT IS (A) AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A) PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”); OR (B) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT; OR (C) A “NATIONAL BANK” ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA, AND, IN EACH CASE, (II) IT IS ABLE TO BEAR THE ECONOMIC RISKS OF ACQUIRING THIS WARRANT.

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ____ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Reserve Fund Reimbursement Warrant

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the “Issuer”, which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) a maximum principal amount Outstanding at any one time of up to

_____ **DOLLARS**

in accordance with each Certificate of Issuance attached hereto and to pay interest hereon from the date of initial delivery of each warrant, or the most recent date to which interest has been paid or duly provided for at the applicable interest rate specified herein; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the “Original Indenture”), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the “Trustee”, which term includes any successor trustee under the Indenture), as supplemented by a First Supplemental Trust Indenture dated December 1, 2013 (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”). This warrant is part of a series of warrants issued by the Issuer under the Indenture in a maximum principal amount Outstanding at any one time of up to [\$Amount] and designated “Subordinate Lien Reserve Fund Reimbursement Warrants” (the “Subordinate Lien Reserve Fund Warrants”). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Subordinate Lien Reserve Fund Warrant Trust Estate (together, the “Trust Estate”). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Subordinate Lien Reserve Fund Warrants are being issued as Subordinate Lien Obligations. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Subordinate Lien Reserve Fund Warrants, upon compliance with certain provisions of the Indenture. Senior Lien Reserve Fund Warrants may also be issued simultaneously with the issuance of the Subordinate Lien Reserve Fund Warrants, if any are issued, and the Indenture permits the issuance of additional Senior Lien Obligations without the consent of Holders of Subordinate Lien Reserve Fund Warrants, upon compliance with certain provisions of the Indenture.

Payment of the Subordinate Lien Reserve Fund Warrants is further secured by the Subordinate Lien Reserve Fund Warrant Trust Estate, which includes the Subordinate Lien Reserve Fund Warrant Debt Service Fund described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Subordinate Lien Reserve Fund Warrants.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Subordinate Lien Reserve Fund Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Subordinate Lien Reserve Fund Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Subordinate Lien Reserve Fund Warrants.

Applicable Interest Rate

This warrant shall bear interest at the following rates:

[insert specific interest rate provisions from Section 4.2(g)]

Computation of Interest Accrual

Interest on Subordinate Lien Reserve Fund Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on this warrant shall be payable in arrears on (i) April 1 and October 1 in each year, beginning on the first applicable date following issuance of this warrant, and (ii) the Maturity Date.

Principal Payment Dates

Principal on this warrant shall be payable on the following dates:

[insert from Section 4.2(i) of the First Supplemental Indenture]

Regular Record Date for Debt Service Payments

If the Book Entry System is in effect, the Trustee shall pay principal and interest on this warrant to DTC, and such principal and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the First Supplemental Indenture.

Authorized Denominations

Subordinate Lien Reserve Fund Warrants may be in denominations of \$100,000 or any amount in excess thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Subordinate Lien Reserve Fund Warrants shall be subject to redemption at the option and direction of the Issuer in whole or in part on any Business Day at a redemption price equal to par (100% of the principal amount of such Subordinate Lien Reserve Fund Warrant redeemed) plus accrued interest thereon to the date of redemption.

If less than all Subordinate Lien Reserve Fund Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Subordinate Lien Reserve Fund Warrants to be redeemed.

Notice of redemption of any Subordinate Lien Reserve Fund Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Subordinate Lien Reserve Fund Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Subordinate Lien Reserve Fund Warrants (or portions thereof) identified in such notice, and any Subordinate Lien Reserve Fund

Warrants surrendered on the specified redemption date shall be returned to the Holders of such Subordinate Lien Reserve Fund Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Subordinate Lien Reserve Fund Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Subordinate Lien Reserve Fund Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Subordinate Lien Reserve Fund Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Subordinate Lien Reserve Fund Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System is not in effect, any Subordinate Lien Reserve Fund Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Subordinate Lien Reserve Fund Warrant, without service charge, a new Subordinate Lien Reserve Fund Warrant or Subordinate Lien Reserve Fund Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Subordinate Lien Reserve Fund Warrant surrendered.

The Indenture permits the Issuer to purchase Subordinate Lien Reserve Fund Warrants that have been called for optional redemption in lieu of retiring such Subordinate Lien Reserve Fund Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Subordinate Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Subordinate Lien Reserve Fund Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Subordinate Lien Reserve Fund Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that the Indenture and the Subordinate Lien Reserve Fund Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be

incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Subordinate Lien Reserve Fund Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Subordinate Lien Reserve Fund Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

NOTWITHSTANDING ANY PROVISION OF THIS WARRANT TO THE CONTRARY, UNLESS ONE OR MORE SUBORDINATE LIEN CERTIFICATES OF ISSUANCE HAS BEEN EXECUTED BY THE TRUSTEE BY MANUAL SIGNATURE AND ATTACHED HERETO, THIS WARRANT SHALL NOT BE ENTITLED TO ANY BENEFIT UNDER THE INDENTURE OR BE VALID OR OBLIGATORY FOR ANY PURPOSE.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

* * *

Subordinate Lien Reserve Fund Warrant Certificates of Issuance appear on the following pages.

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 6.2

Election to Redeem

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee
under the Indenture referred to below No. _____

RE: First Supplemental Trust Indenture dated [Date] (the “Indenture”) between Jefferson County, Alabama and the Trustee

Capitalized terms not otherwise defined herein shall have the meanings assigned in the First Supplemental Indenture.

Request for Optional Redemption of Reserve Fund Warrants

Pursuant to **Section 6.2** of the First Supplemental Indenture, the Issuer hereby requests the Trustee call Reserve Fund Warrants in accordance with the following instructions:

- A. Series of Reserve Fund Warrants to be redeemed: _____
(select Senior or Subordinate)
- B. Principal amount of Reserve Fund Warrants to be redeemed: _____
- C. Issue date and Tenor of Reserve Fund Warrants to be redeemed: _____
- D. Redemption Date applicable to this certificate: _____
- E. Specify in reasonable detail any conditions to redemption:

- F. Source of funds to be used for redemption: _____

If funds on deposit in either the Series 2013 Senior Lien Reserve Fund or the Series 2013 Subordinate Lien Reserve Fund are intended to be used, the certificate required by **Section 9.6** or **9.7** of the Original Indenture, as applicable, shall accompany this notice.

The Issuer agrees to promptly provide such other information to the Trustee as may be required to carry out the optional redemption of Reserve Fund Warrants specified herein.

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in **Section 6.2** of the First Supplemental Indenture, (d) no Indenture Default exists, and (c) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____.

JEFFERSON COUNTY, ALABAMA

By: _____
Authorized Issuer Representative

Exhibit 4

**Reimbursement Agreement, Dated as of December 1, 2013,
including the forms of the Reserve Fund LOC**

REIMBURSEMENT AGREEMENT

Dated as of December 1, 2013

between

JEFFERSON COUNTY, ALABAMA

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

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REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT (as amended, modified and/or supplemented from time to time, this “*Agreement*”) is entered into as of December 1, 2013, between Jefferson County, Alabama (together with its successors and assigns, the “*County*”), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (together with its successors and assigns, the “*Bank*”).

WITNESSETH:

WHEREAS, the County has determined to issue \$375,000,000* Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the “*Series 2013-A Warrants*”), \$55,693,095.85* Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the “*Series 2013-B Warrants*”), \$69,308,272.15* Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the “*Series 2013-C Warrants*” and, together with the Series 2013-A Warrants and the Series 2013-B Warrants, the “*Series 2013 Senior Lien Obligations*”), \$750,155,000* Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the “*Series 2013-D Warrants*”), \$71,935,073.95* Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the “*Series 2013-E Warrants*”), and \$416,317,273* Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the “*Series 2013-F Warrants*” and, together with the Series 2013-D Warrants and the Series 2013-E Warrants, the “*Series 2013 Subordinate Lien Obligations*”; the Series 2013 Subordinate Lien Obligations, together with the Series 2013 Senior Lien Obligations, are referred to herein as the “*Warrants*”) pursuant to a Trust Indenture, dated December 1, 2013 (the “*Original Indenture*,” as the same may be amended, modified and/or supplemented from time to time and as the same is supplemented by the First Supplemental Indenture (hereinafter defined), collectively, the “*Indenture*”), between the County and Wells Fargo Bank, National Association (the “*Trustee*”);

WHEREAS, the Warrants are secured by and payable from a pledge and assignment of the System Revenues (as defined below), and, further, (a) money and investments from time to time on deposit in, or forming a part of, the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund established under the Indenture, and (b) any other property which may, from time to time, be specifically subjected to the lien of the Indenture as additional security for Warrants (collectively, together with the System Revenues, the “*General Trust Estate*”);

WHEREAS, as additional security for the Series 2013 Senior Lien Obligations, the County has determined that the scheduled payment of principal of (or, in the case of the Series 2013-B Warrants and the Series 2013-C Warrants, the accreted value) and interest on the Series 2013 Senior Lien Obligations when due will be guaranteed under an insurance policy (the “*Insurance Policy*”) to be issued concurrently with the delivery of the Series 2013 Senior Lien Obligations by Assured Guaranty Municipal Corp. (together with its successors and assigns, the “*Insurer*”);

WHEREAS, as further security for the Warrants, the County has requested the Bank, and the Bank has agreed, subject to the terms set forth in this Agreement, to deliver (a) an irrevocable standby letter of credit (the “*Senior Lien Letter of Credit*”) for deposit in the Series 2013 Senior Lien Reserve Fund (as defined below) and (b) an irrevocable standby letter of credit for deposit in the Series 2013 Subordinate Lien Reserve Fund (as defined below) (the “*Subordinate Lien Letter of Credit*” and, together with the Senior Lien Letter of Credit, the “*Letters of Credit*”), in both cases, to provide funds to the Trustee in the event that funds on deposit in the Series 2013 Senior Lien Debt Service Fund (as defined in the Original Indenture) or the Series 2013 Subordinate Lien Debt Service Fund (as defined in the Original Indenture), as applicable, on a Warrant Payment Date (as defined in the Original Indenture) are inadequate to pay Debt Service (as defined in the Indenture) on the Series 2013 Senior Lien Obligations or the Series 2013 Subordinate Lien Obligations, respectively;

WHEREAS, as evidence of outstanding Advances (as defined below) made by the Bank pursuant to the Senior Lien Letter of Credit and the Subordinate Lien Letter of Credit, the County has duly authorized the issuance of Senior Lien Reserve Fund Warrants (as defined below) and Subordinate Lien Reserve Fund Warrants (as defined below and which, together with the Senior Lien Reserve Fund Warrants, the “*Reserve Fund Warrants*”), respectively, pursuant to the terms and conditions of that certain First Supplemental Trust Indenture, dated December 1, 2013 (as amended, modified and/or supplemented from time to time, the “*First Supplemental Indenture*”), between the County and the Trustee, which Reserve Fund Warrants (a) are additional Secured Obligations (as defined below) under the Original Indenture and (b) are authorized to be issued by the County pursuant to the Confirmed Plan of Adjustment (as defined below); and

WHEREAS, the Bank is willing to issue the Letters of Credit upon the terms and conditions provided herein.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“*Act of Bankruptcy*” means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by the County after the effective date of the Plan of Adjustment under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect.

“*Advance*” has the meaning set forth in Section 2.03(a) hereof.

“*Advance Maturity Date*” means the date on which the final payment of principal is due on any Advance as provided in Section 2.03(b) hereof; *provided, however*, that the date on which

any redemption or repayment of an Advance in full occurs prior to the date or dates specified in Section 2.03(b) shall also be deemed an “Advance Maturity Date.”

“*Affiliate*” means, with respect to a Person, any Person (whether for-profit or not-for-profit), which “controls,” or is “controlled” by, or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

“*Agreement*” has the meaning set forth in the Introduction hereto.

“*Anti-Corruption Laws*” means all laws, rules and regulations of any jurisdiction applicable to the County from time to time concerning or relating to bribery or corruption.

“*Approving Tax Opinion*” means an unqualified opinion of counsel delivered by an attorney or firm of attorneys which is nationally recognized as bond counsel stating that the interest paid on the Reserve Fund Warrant or Reserve Fund Warrants described in such opinion is exempt from federal income taxation or otherwise excludable from gross income of the Holder thereof.

“*Available Amount*” has the meaning set forth in each Letter of Credit.

“*Bank*” has the meaning set forth in the Introduction hereto.

“*Bankruptcy Code*” means Title 11 of the United States Code, as amended and supplemented from time to time.

“*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

“*Business Day*” has the meaning set forth in each Letter of Credit.

“*Cash Collateral*” means the monies delivered by the Bank pursuant to Exhibit A2 to a Letter of Credit in connection with the termination of such Letter of Credit.

“*Charge Ordinance*” means that certain ordinance entitled “Jefferson County Sewer Use Charge Ordinance” adopted by the County Commission on November 6, 2012, as amended on September 23, 2013, as the same may from time to time again be amended, which sets forth, among other things, the County Commission’s reasonable and nondiscriminatory rules and regulations fixing rates and charges for service from the System and provisions for payment, collection and enforcement thereof.

“*Closing Date*” means December [___], 2013, which, subject to the satisfaction of the conditions precedent set forth in Section 4.01 hereof, is the date on which the Letters of Credit are issued.

“*Collateral Agreement*” means, collectively, the Series 2013 Senior Collateral Support Agreement and the Series 2013 Subordinate Collateral Support Agreement.

“*Confirmation Order*” means the order entered by the Bankruptcy Court confirming the Plan of Adjustment under Section 943(b) of the Bankruptcy Code.

“*Confirmed Plan of Adjustment*” means the Plan of Adjustment as confirmed by the Confirmation Order.

“*County*” has the meaning set forth in the Introduction hereto.

“*County Commission*” means the Jefferson County Commission, being the governing body of the County.

“*Current Interest Obligations*” has the meaning set forth in the Original Indenture.

“*Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Disclosure Statement*” means that certain Disclosure Statement regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama, dated July 29, 2013, and filed in the Bankruptcy Court on August 8, 2013 as Docket Number 1977.

“*Dollar*” and “\$” mean lawful money of the United States.

“*Drawing*” has the meaning set forth in each Letter of Credit.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Facility Fee*” has the meaning set forth in Section 2.05(a) hereof.

“*Favorable Ruling*” means a private letter ruling, revenue ruling, technical advice memorandum or other determination of the Internal Revenue Service stating that the interest paid on the Reserve Fund Warrant or Reserve Fund Warrants described in such document is exempt from federal income taxation or otherwise excludable from gross income of the Holder thereof.

“*First Supplemental Indenture*” has the meaning set forth in the Recitals hereto.

“*Fitch*” means Fitch, Inc., and any successor thereto.

“*GAAP*” means generally accepted accounting principles in the United States as in effect from time to time, applied by the County on a basis consistent with the County’s most recent financial statement furnished to the Bank.

“*General Trust Estate*” has the meaning set forth in the Recitals hereto.

“*Governmental Approval*” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“*Governmental Authority*” means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“*Indemnitees*” has the meaning set forth in Section 8.04(b) hereof.

“*Indenture*” has the meaning set forth in the Recitals hereto.

“*Information*” has the meaning set forth in Section 8.07 hereof.

“*Insurance Policy*” has the meaning set forth in the Recitals hereto.

“*Insurer*” has the meaning set forth in the Recitals hereto.

“*ISP*” or “*ISP98*” means, with respect to a Letter of Credit, the International Standby Practices 1998 (International Chamber of Commerce Publication No. 590).

“*Laws*” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Letter of Credit*” means, as the context dictates, either the Senior Lien Letter of Credit or the Subordinate Lien Letter of Credit.

“*Letters of Credit*” has the meaning set forth in the Recitals hereto.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Material*” or “*Materially*” (whether or not such terms are capitalized) shall be determined in light of the facts and circumstances of the matter in question; *provided, however*, that any specific monetary amount cited in this Agreement (or any attachment hereto) shall be deemed to determine materiality in that instance.

“*Moody’s*” means Moody’s Investors Service, Inc., and any successor thereto.

“*MSRB*” means the Municipal Securities Rulemaking Board, and any successor thereto.

“*Obligations*” means the Reimbursement Obligations, the obligations of the County to pay all fees and expenses specified in this Agreement and all other obligations of the County to the Bank arising under or in relation to this Agreement, including in each instance, all interest accrued thereon.

“*Official Statement*” means the Official Statement, dated December [___], 2013, relating to the Warrants, together with any documents incorporated therein by reference.

“*Original Indenture*” has the meaning set forth in the Recitals hereto.

“*Original Stated Amount*” means \$[_____], in the case of the Senior Lien Letter of Credit, and \$[_____], in the case of the Subordinate Lien Letter of Credit.

“*Parity Debt*” means warrants or other evidence of indebtedness issued by the County and secured by a Lien on System Revenues (excluding the Reserve Fund Warrants) that is (a) on parity with the Senior Lien Obligations or the Subordinate Lien Obligations Warrants or (b) senior to the Senior Lien Obligations.

“*Participant*” has the meaning set forth in Section 8.06(b) hereof.

“*Patriot Act*” has the meaning set forth in Section 8.15 hereof.

“*Payment Documents*” has the meaning set forth in the Letter of Credit.

“*Person*” means any individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Plan*” or “*Plan of Adjustment*” means that certain Chapter 9 Plan of Adjustment for Jefferson County, Alabama (dated November 6, 2013), filed with the Bankruptcy Court on November 6, 2013, as confirmed by the Bankruptcy Court pursuant to the Confirmation Order.

“*Post-Default Rate*” has the meaning set forth in the First Supplemental Indenture.

“*Posting Collateral*” has the meaning set forth in a Letter of Credit.

“*Rating Agency*” or “*Rating Agencies*” means Fitch, Moody’s and S&P, as the context may require.

“*Reimbursement Obligations*” means any and all obligations of the County to reimburse the Bank for an unreimbursed Advance made by the Bank pursuant to a Letter of Credit, regardless of whether a Reserve Fund Warrant has been delivered to the Bank to evidence said Advance.

“*Related Documents*” means this Agreement, the Original Indenture, the First Supplemental Indenture, the Reserve Fund Warrants and the Collateral Agreement.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Required Transferee Rating” means, with respect to a proposed transferee of the Bank’s obligations under the Letters of Credit, the Collateral Agreement or this Agreement, a rating that will not cause the underlying rating on the Warrants required to be maintained pursuant to Section 6.11 hereof to be downgraded, suspended or withdrawn.

“Reserve Fund Warrant Issuance Date” means each date on which a Reserve Fund Warrant is issued, which for each Reserve Fund Warrant shall be the same date as the date of a related (a) Drawing on a Letter of Credit, (b) transfer of Cash Collateral to pay principal and/or interest on the Warrants, (c) transfer of cash obtained by the Trustee pursuant to a Drawing on the Letter of Credit due to the failure of the Bank to deliver Posting Collateral to pay principal and/or interest on the Warrants, or (d) transfer of Posting Collateral to pay principal and/or interest on the Warrants.

“Reserve Fund Warrant Payment Date” has the meaning set forth in the First Supplemental Indenture.

“Reserve Fund Warrants” has the meaning set forth in the Recitals hereto and, as the context dictates herein, may mean either the Senior Lien Reserve Fund Warrants, the Subordinate Lien Reserve Fund Warrants or a combination thereof.

“S&P” means Standard & Poor’s, a Standard and Poor’s Financial Services LLC business, and any successor thereto.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the federal government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“Secured Obligations” has the meaning set forth in the Original Indenture.

“Senior Lien Letter of Credit” has the meaning set forth in the Recitals hereto.

“Senior Lien Reserve Fund Warrant Debt Service Fund” has the meaning set forth in the First Supplemental Indenture.

“Senior Lien Reserve Fund Warrants” means the County’s Senior Lien Reserve Fund Reimbursement Warrants, authorized by the Confirmed Plan of Adjustment to be issued pursuant to the First Supplemental Indenture, on or after March 1, 2014, in a maximum principal amount outstanding at any one time of up to \$[_____], which Senior Lien Reserve Fund Warrants, if and when delivered to the Bank as provided in the First Supplemental Indenture and hereunder, shall constitute Series 2013 Senior Lien Obligations and Current Interest Obligations.

“Series 2013 Senior Collateral Support Agreement” means the Collateral Support Agreement, dated as of December 1, 2013, between the Trustee and the Bank, relating the Series 2013 Senior Lien Reserve Fund, as the same may be amended, supplemented and modified from time to time.

“Series 2013 Senior Lien Debt Service Fund” has the meaning set forth in the Original Indenture.

“Series 2013 Senior Lien Obligations” has the meaning set forth in the Recitals hereto.

“Series 2013 Senior Lien Reserve Fund” has the meaning set forth in the Original Indenture.

“Series 2013 Subordinate Collateral Support Agreement” means the Collateral Support Agreement, dated as of December 1, 2013, between the Trustee and the Bank, relating the Series 2013 Subordinate Lien Reserve Fund, as the same may be amended, supplemented and modified from time to time.

“Series 2013 Subordinate Lien Debt Service Fund” has the meaning set forth in the Original Indenture.

“Series 2013 Subordinate Lien Obligations” has the meaning set forth in the Recitals hereto.

“Series 2013 Subordinate Lien Reserve Fund” has the meaning set forth in the Original Indenture.

“State” means the State of Alabama.

“Stated Amount” has the meaning set forth in each Letter of Credit.

“Stated Expiration Date” means October 10, 2053, unless terminated in accordance with the terms of the related Letter of Credit.

“Subordinate Lien Letter of Credit” has the meaning set forth in the Recitals hereto.

“Subordinate Lien Reserve Fund Warrant Debt Service Fund” has the meaning set forth in the First Supplemental Indenture.

“Subordinate Lien Reserve Fund Warrants” means the County’s Subordinate Lien Reserve Fund Reimbursement Warrants, authorized by the Confirmed Plan of Adjustment to be

issued pursuant to the First Supplemental Indenture, on or after March 1, 2014, in a maximum principal amount outstanding at any one time of up to \$[____], which Subordinate Lien Reserve Fund Warrants, if and when delivered to the Bank as provided in the First Supplemental Indenture and hereunder, shall constitute Series 2013 Subordinate Lien Obligations and Current Interest Obligations.

“*System*” means the sanitary sewer system owned and operated by the County, as now or hereafter constituted.

“*System Revenues*” means all revenues derived by the County from the ownership or operation of the System.

“*Termination Date*” has the meaning set forth in each Letter of Credit.

“*Trustee*” has the meaning given to such term in the Recitals hereto.

“*United States*” and “*U.S.*” mean the United States of America.

“*Warrants*” has the meaning set forth in the Recitals hereto.

Section 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

(d) Defined terms used herein which are stated to have the meanings assigned in the Indenture, shall incorporate any amendments, restatements, supplements or other modifications to such terms.

Section 1.03 Accounting Term. (a) *Generally.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein.

(b) *Changes in GAAP.* If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Related Document, and either the County or the Bank shall so request, the Bank and the County shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided that*, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the County shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.04 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York time (daylight or standard, as applicable).

ARTICLE II

LETTERS OF CREDIT

Section 2.01 Issuance of Letters of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Senior Lien Letter of Credit (substantially in the form of Appendix A hereto) and the Subordinate Lien Letter of Credit (substantially in the form of Appendix B hereto). Each Letter of Credit shall be issued in an amount equal to the Original Stated Amount therefor and shall be an irrevocable obligation of the Bank. Notwithstanding anything herein to the contrary, this Agreement shall not expire or otherwise terminate until such time as the Senior Lien Letter of Credit and the Subordinate Letter of Credit shall have terminated and all Obligations due to the Bank or to become due to the Bank hereunder shall have been paid in full.

Section 2.02 Letter of Credit Drawings. The Trustee is authorized to make Drawings under the Letters of Credit in accordance with their respective terms. The County hereby directs the Bank to make payments under the Letters of Credit in the manner therein provided. The

County hereby irrevocably approves reductions and reinstatements of the Stated Amount with respect to each Letter of Credit as provided in the related Letter of Credit.

Section 2.03 Reimbursement of Certain Drawings under the Letters of Credit; Mandatory Redemption; Interest. (a) If the conditions precedent contained in a Letter of Credit are satisfied at the time that a Drawing Certificate (as defined in each Letter of Credit) is submitted to the Bank and funds are forwarded to the Trustee in connection therewith, such Drawing shall constitute an advance (each, an “Advance”) to the County. Each Advance will be evidenced by either a Senior Lien Reserve Fund Warrant, in the case of a Drawing and Advance made by the Bank under the Senior Lien Letter of Credit, or a Subordinate Lien Reserve Fund Warrant, in the case of a Drawing and Advance made by the Bank under the Subordinate Lien Letter of Credit.

(b) Principal due on Senior Lien Reserve Fund Warrants and Subordinate Lien Reserve Fund Warrants shall be payable as follows:

(i) if the Reserve Fund Warrant Issuance Date is on or before January 1, 2022, the principal of such Reserve Fund Warrant shall be payable in forty (40) equal quarterly installments commencing on January 1, 2024 and quarterly thereafter on each April 1, July 1, October 1 and January 1 until paid in full;

(ii) if the Reserve Fund Warrant Issuance Date is after January 1, 2022, but on or before April 1, 2042, the principal of such Reserve Fund Warrant shall be payable in forty (40) equal quarterly installments commencing on the first January 1, April 1, July 1 or October 1 occurring at least twenty-four (24) months following such Reserve Fund Warrant Issuance Date, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until paid in full; or

(iii) if the Reserve Fund Warrant Issuance Date is after April 1, 2042, the principal of such Reserve Fund Warrant shall be amortized on the basis of forty (40) equal quarterly installments and shall be payable according to such amortization commencing on the first January 1, April 1, July 1 or October 1 occurring at least twenty-four (24) months following such Reserve Fund Warrant Issuance Date, and quarterly thereafter on each January 1, April 1, July 1 or October 1 until March 1, 2054; *provided* that all unpaid principal of any Reserve Fund Warrant shall be payable in full on March 1, 2054.

(c) The County also promises to pay to the Bank interest on the unpaid principal amount of each Advance (i) on the next Reserve Fund Warrant Payment Date immediately following issuance of the Senior Lien Reserve Fund Warrants or Subordinate Lien Reserve Fund Warrants, as applicable, and on each Reserve Fund Warrant Payment Date thereafter, (ii) on the date that the Senior Lien Reserve Fund Warrants or Subordinate Lien Reserve Fund Warrants, as applicable, are paid or redeemed and (iii) on the Advance Maturity Date. Interest shall accrue on the Senior Lien Reserve Fund Warrants or Subordinate Lien Reserve Fund Warrants, as applicable, as follows:

(i) for the period beginning on the Reserve Fund Warrant Issuance Date and ending twenty-four (24) months after such Reserve Fund Warrant Issuance Date, [_____] per annum; and

(ii) beginning on and including the first day of the twenty-fifth (25th) month following the Reserve Fund Warrant Issuance Date, [_____] per annum;

provided that, if the County and the Bank are unable to jointly obtain, at their reasonable shared cost, an Approving Tax Opinion or Favorable Ruling within six (6) months of the Reserve Fund Warrant Issuance Date, then the rate of interest applicable to such Reserve Fund Warrant shall increase to [_____] per annum beginning on the first day of the seventh (7th) month following the applicable Reserve Fund Warrant Issuance Date.

(d) Any Reserve Fund Warrant may be prepaid, in whole or in part, without premium or penalty on any Business Day upon one (1) Business Day's prior written notice from the County to the Bank.

(e) Interest shall be payable on overdue principal of the Reserve Fund Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Reserve Fund Warrants at the Post-Default Rate.

(f) From and after the occurrence of any Event of Default hereunder, all Obligations of the County arising hereunder will automatically accrue interest at a fixed rate equal to [_____] [the yield on the longest dated maturity of current interest Series 2013 Subordinate Lien Obligations (as such yield is in effect on the Closing Date), plus 2.00% per annum], payable on demand. For the avoidance of doubt, this provision does not apply to the Reserve Fund Warrants which are already the subject of Section 2.03(e).

Section 2.04 Reinstatement of a Letter of Credit. Any Reserve Fund Warrants repaid on or prior to the second (2nd) anniversary of the related Advance will result in reinstatement of the applicable Letter of Credit in an amount equal to the principal amount of the Reserve Fund Warrant that is repaid. From and after the second (2nd) anniversary of any Advance made pursuant to a Letter of Credit, to the extent that the principal amount drawn is not repaid, together with interest, if any, thereon, the Stated Amount of the said Letter of Credit will not be reinstated by the principal amount of such repayment.

Section 2.05 Fees

(a) With respect to the Letters of Credit, the County agrees to pay to the Bank, but solely out of System Revenues available therefor pursuant to the Indenture, a nonrefundable facility fee (the "*Facility Fee*") at the rate equal to 0.05% per annum of the Available Amount of each Letter of Credit commencing on the Closing Date and continuing for the duration of the term of each Letter of Credit. In addition, upon (i) the delivery by the Bank of Cash Collateral pursuant to Exhibit A2 to a Letter of Credit and (ii) the termination of such Letter of Credit in accordance therewith, the Facility Fee described hereinabove will continue to accrue with respect to the amount of the Cash Collateral delivered by the Bank, less any portion of the Cash Collateral applied to pay principal and/or interest on the Warrants, and said Facility Fee will be payable by the County in accordance with this Section 2.05 until such time as such Cash

Collateral has been returned to the Bank in full. Such Facility Fee shall be payable, without any requirement of notice or demand, in immediately available funds in arrears commencing on April 1, 2014, with respect to the period from the Closing Date to March 31, 2014 and, thereafter, on each July 1, October 1, January 1 and April 1 and upon the Termination Date of the Letter of Credit, in all cases, covering the period from the date of the immediately preceding payment to such date of payment. The Facility Fee shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. The Bank's determination of the Facility Fee pursuant to this Section 2.05(a) shall be conclusive absent manifest error.

(b) All amounts payable pursuant to this Section shall be nonrefundable, absent manifest error in the calculation thereof by the Bank.

(c) The Bank will forward to the County and to the Trustee an invoice with respect to the Facility Fee referred to in Section 2.05(a) hereof; *provided, however*, that failure of the Bank to forward said invoice will not serve as a waiver, diminution or release of the County's obligation to pay the Facility Fee payable pursuant to Section 2.05(a).

Section 2.06 Method of Payment; Etc. All payments to be made by the County, or caused to be made by and on behalf of the County, under this Agreement shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff and shall be made to the Bank through the Federal Reserve Wire System to JPMorgan Chase Bank, National Association, ABA No. 021000021, Ref: Letter of Credit No. [_____] or [_____] , as applicable, Credit to Account No. 324331754, Attention: Standby Letter of Credit Unit (or at such other address or location specified to the County in writing by the Bank), not later than 3:00 p.m. on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds. All payments received by the Bank after 3:00 p.m. shall be deemed to have been on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

Section 2.07 Computation of Interest and Fees. Interest and fees payable hereunder shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. Notwithstanding the foregoing, interest on the Reserve Fund Warrants shall be calculated on the basis set forth in the First Supplemental Indenture.

Section 2.08 Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall not be included in the computation of interest and fees for such related payment date but shall be included in the computation of interest and fees for the following payment date.

Section 2.09 Source of Funds. All payments made by the Bank pursuant to a Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

ARTICLE III

MARGIN REGULATIONS; TAXABLE INTEREST ON RESERVE FUND WARRANTS

Section 3.01 Margin Regulations. No portion of the proceeds of any Drawings under a Letter of Credit shall be used by the County (or the Trustee or any other Person on behalf of the County) for the purpose of “purchasing” or “carrying” any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case, as in effect on the date or dates of such Drawings or Advances and such use of proceeds.

Section 3.02 Taxable Interest on Reserve Fund Warrants. Upon delivery of a Reserve Fund Warrant, the County will deliver to the Bank, within one hundred eighty (180) days of delivery of a written request therefor from the Bank, either a Favorable Ruling or an Approving Tax Opinion reasonably acceptable to the Bank and the County, in either case, to the effect that interest on said Reserve Fund Warrants is exempt from federal income taxation or otherwise excludable from gross income of the Holder thereof. The parties hereto agree that the costs and expenses incurred in connection with the delivery of said Ruling or Opinion, regardless of the determination, shall be borne equally by said parties and that the parties will cooperate in good faith in furtherance of the provisions of this Section.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent to Issuance of the Letters of Credit. As conditions precedent to the obligation of the Bank to issue the Letters of Credit, the County shall provide to the Bank on the Closing Date, each in form and substance reasonably satisfactory to the Bank and the Bank’s counsel:

(i) *Approvals.* The Bank shall have received a counterpart of this Agreement duly executed by the County and copies of all resolutions and other official actions taken by the County and Governmental Authorities having jurisdiction over the County approving the execution and delivery by the County of this Agreement, the Warrants and the other Related Documents to which the County is a party, in each case, certified by an authorized official of the County as complete and correct as of the date hereof and as being in full force and effect on and as of the Closing Date.

(ii) *Incumbency of County Officials.* The Bank shall have received an incumbency certificate of the County in respect of each official who is authorized to (a) sign this Agreement, the Warrants and the other Related Documents to which the County is a party and (b) take actions on behalf of the County under this Agreement, the Warrants and the other Related Documents to which the County is a party.

(iii) *Opinion of Bond Counsel.* The Bank shall have received a written opinion of Bond Counsel regarding, among other matters, the Reserve Fund Warrants, addressed to the Bank (or upon which the Bank may rely), dated the Closing Date and in form and substance reasonably satisfactory to the Bank and the Bank's counsel.

(iv) *Opinion of Counsel to the County.* The Bank shall have received a written opinion of counsel to the County regarding, among other matters, the enforceability of this Agreement, addressed to the Bank, dated the Closing Date and in form and substance reasonably satisfactory to the Bank and the Bank's counsel.

(v) *Trustee.* The Bank shall have received (a) an incumbency certificate of the Trustee in respect of each official who is authorized to make Drawings under the Letters of Credit confirming the authority and signature(s) of said official(s) to make such Drawings and (b) evidence that the Reserve Fund Warrants have been delivered to the Trustee to be held in escrow pending delivery to the Bank upon the Bank's making an Advance pursuant to a Letter of Credit.

(vi) *Related Documents.* The Bank shall have received an executed original or certified copies, as applicable, of each of the Related Documents (other than this Agreement) in form and substance reasonably satisfactory to the Bank, all certified by an authorized officer of the County as being in full force and effect. In addition, the Bank shall have received (a) evidence from the County that the Reserve Fund Warrants have been authorized, issued and delivered to the Trustee and (b) a specimen copy of a Reserve Fund Warrant. The County will cause to be delivered to the Bank a record of the proceedings evidencing the authorization, execution, delivery and sale of the Warrants and the Reserve Fund Warrants on the Closing Date within a commercially reasonable period after Closing.

(vii) *No Default, Etc.* (a) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution, delivery, and performance by the County of this Agreement, the Warrants or any other Related Document to which the County is a party, (b) the representations and warranties made by the County herein and in the other Related Documents to which it is a party shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date, and (c) the Bank shall have received a certificate, given and made as of the Closing Date, from County to the foregoing effect.

(viii) *Financial Information.* The Bank shall have received copies of the County's most recent Audited Financial Statements.

(ix) *Official Statement.* The Bank shall have received copies of the preliminary and final Official Statement relating to the Warrants, including all amendments and supplements thereto to the Closing Date.

(x) *Insurance Policy.* The Bank shall have received (a) a copy of the Insurance Policy and (b) a copy of the opinion of counsel to the Insurer, dated the Closing Date.

(xi) *Bankruptcy Proceedings.* The effective date of the Confirmed Plan of Adjustment shall have occurred, and the Bank shall have received a copy of the Confirmation Order, duly certified and entered on the docket by the clerk of the Bankruptcy Court, which Confirmation Order shall be in full force and effect, shall not have been stayed, reversed or modified, and shall approve the transactions contemplated by this Agreement and the other Related Documents.

(xii) *Bond Ratings.* The Bank shall have received satisfactory evidence that the Warrants, without regard to the Insurance Policy, shall have been assigned long-term ratings of “[____]” by Fitch and “[____]” by S&P.

(xiii) *Miscellaneous.* The Bank shall have received such other documents, certificates, and opinions as the Bank and the Bank’s counsel shall have reasonably requested and all legal requirements provided herein incident to the execution, delivery and performance of the Related Documents and the transactions contemplated hereby and thereby shall be reasonably satisfactory to the Bank and the Bank’s counsel.

Notwithstanding anything to the contrary, the Bank’s execution and delivery of the Letters of Credit shall evidence its agreement that the foregoing conditions precedent to the issuance and delivery of the Letters of Credit have been met to its satisfaction or have been waived.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01 Representations and Warranties of the County. The County hereby represents and warrants to the Bank as of the Closing Date (which representations and warranties shall survive the execution and delivery of this Agreement) as follows:

(a) *Legal Existence; Power and Authority.* The County is duly existing as a political subdivision of the State. The County has the full legal right, power, and authority to (i) execute and deliver this Agreement, the Warrants and the other Related Documents to which it is a party, (ii) perform all its obligations and liabilities under this Agreement, the Warrants and the other Related Documents to which it is a party, and (iii) otherwise incur indebtedness in accordance with this Agreement, the Warrants and the other Related Documents to which it is a party.

(b) *Due Authorization; Compliance with Law and Contracts.* The execution, delivery and performance by the County of this Agreement, the Warrants and the other Related Documents to which it is a party have been duly authorized by all necessary and proper action on the part of the County Commission, and do not and will not (i) conflict with, violate, or contravene any constitutional provision or any provision of existing law or regulation or any order, writ, injunction or decree of any court, tribunal, governmental authority, bureau, agency or

other instrumentality applicable to the County including, without limitation, the Charge Ordinance, or (ii) conflict with, violate, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement relating to the System to which the County is a party.

(c) *Governmental Authorization; Other Consent.* No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the County of this Agreement, the Warrants or any other Related Document to which it is a party, or if required, such approval, consent, exemption or authorization, as applicable, has been obtained, such notice has been given or such other appropriate action has been taken.

(d) *Binding Effect.* Each of this Agreement, the Warrants and the other Related Documents to which the County is a party constitutes a legal, valid and binding obligation of the County, enforceable against the County in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws now or hereafter affecting the enforcement of the rights of creditors generally and by general principles of equity which permit the exercise of judicial discretion.

(e) *Litigation.* Except as otherwise disclosed to the Bank in writing, in the Disclosure Statement or in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, arbitrator, public board or body pending or, to the knowledge of the County, threatened against or affecting the County wherein an unfavorable decision, ruling or finding could reasonably be expected to have a material effect on the existence, organization or powers of the County or the titles of any of its officers to their respective offices.

(f) *No Default.* To the best of the County's knowledge, the County is not in default under (i) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it including, without limitation, the Bankruptcy Court, or (ii) any law or regulation, or (iii) any warrants or other Parity Debt secured by or payable from System Revenues, or (iv) any contract, agreement or instrument to which the County is a party or by which it or its property is bound, the effect of which default, in each case, could reasonably be expected to have a material adverse effect on the ability or the power of the County to perform its obligations hereunder or under the Warrants or any other Related Document. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Related Document to which the County is a party.

(g) *Incorporation of Representations and Warranties.* Each Related Document to which the County is a party is a legal, valid and binding obligation of the County, has not been terminated, canceled or waived in any material respect and is in full force and effect, and the County is not in default under any such document. The County hereby makes to the Bank the same representations and warranties made by the County in Sections 10.1, 10.2,

10.3, 10.7 and 10.9(a) of the Indenture, which representations and warranties, together with the related definitions of terms contained therein, are incorporated herein by this reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety.

(h) *Investment Company Act.* The County is not, and is not required to be registered as, an “investment company” under the Investment Company Act of 1940.

(i) *Disclosure.* The audited financial statement furnished to the Bank by or on behalf of the County on or prior to the Closing Date in connection with the transactions contemplated hereby did, as of the date of such statement, fairly present the financial condition and results of operations of the County.

(j) *Pending Legislation and Decisions.* To the knowledge of the County, there is no proposed amendment to the Constitution of the State, or any state law or any administrative interpretation of any such Constitution or law, or any legislation that has passed either house of the legislature of the State or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of any of the Warrants or the Reserve Fund Warrants, the security for any of the Warrants or the Reserve Fund Warrants or the Obligations owed to the Bank hereunder or under the Reserve Fund Warrants, or the County’s ability to repay when due its obligations under this Agreement, the Warrants and the other Related Documents to which it is a party.

(k) *Security and Sources of Payment.*

(i) The Series 2013 Senior Lien Obligations (excluding the Senior Lien Reserve Fund Warrants) have a first priority lien with respect to the right of payment from the General Trust Estate, and will be additionally secured by the funds and amounts held in the Series 2013 Senior Lien Reserve Fund and the Series 2013 Senior Lien Debt Service Fund established under the Original Indenture, in addition to the Insurance Policy. Contemporaneously with the issuance of the Warrants, the County shall deliver to the Trustee the Senior Lien Reserve Fund Warrants authorized by the Confirmed Plan of Adjustment and issued pursuant to the First Supplemental Indenture. The Senior Lien Reserve Fund Warrants are payable from the General Trust Estate, including money on deposit in any funds or accounts included therein. As and when issued, the Senior Lien Reserve Fund Warrants will constitute Senior Lien Obligations secured *pari passu* with all other Senior Lien Obligations issued from time to time under the Original Indenture with respect to the General Trust Estate; *provided however*, that neither the Series 2013 Senior Lien Reserve Fund, the Series 2013 Senior Lien Debt Service Fund nor the Insurance Policy are available to secure the Senior Lien Reserve Fund Warrants. To secure the payment of principal and interest on the Senior Lien Reserve Fund Warrants and to secure the performance of the covenants contained in the Indenture that are for the benefit of the Senior Lien Reserve Fund Warrants, the County has pledged and assigned to the Trustee, and granted to the Trustee a security interest in, the Senior Lien Reserve Fund Warrant Debt Service Fund.

(ii) The Series 2013 Subordinate Lien Obligations (excluding the Subordinate Lien Reserve Fund Warrants) have a second priority lien with respect to the right of payment from the General Trust Estate, subordinate to the Senior Lien Obligations (including the Senior Lien Reserve Fund Warrants as and to the extent described in clause (i) above) and will be additionally secured by the funds and amounts held in the Series 2013 Subordinate Lien Reserve Fund and the Series 2013 Subordinate Lien Debt Service Fund established under the Original Indenture. Contemporaneously with the issuance of the Warrants, the County shall deliver to the Trustee the Subordinate Lien Reserve Fund Warrants authorized by the Confirmed Plan of Adjustment and issued pursuant to the First Supplemental Indenture. The Subordinate Lien Reserve Fund Warrants are payable from the General Trust Estate, including money on deposit in any funds or accounts included therein, on a subordinated basis. As and when issued, the Subordinate Lien Reserve Fund Warrants will constitute Subordinate Lien Obligations secured *pari passu* with all other Subordinate Lien Obligations issued from time to time under the Original Indenture with respect to the General Trust Estate; *provided however*, that the Series 2013 Subordinate Lien Reserve Fund and the Series 2013 Subordinate Lien Debt Service Fund are not available to secure the Subordinate Lien Reserve Fund Warrants. To secure the payment of principal and interest on the Subordinate Lien Reserve Fund Warrants and to secure the performance of the covenants contained in the Indenture that are for the benefit of the Subordinate Lien Reserve Fund Warrants, the County has pledged and assigned to the Trustee, and granted to the Trustee a security interest in, the Subordinate Lien Reserve Fund Warrant Debt Service Fund.

(iii) All documents or instruments required to be filed or recorded in any public office, and all notifications required to be given to any Person, if any, in order to provide notice of such pledge to present and future creditors and otherwise protect the pledge in favor of the owners of the Warrants (including, without limitation, the Reserve Fund Warrants) and the Bank, have been filed, recorded or given, as the case may be.

(l) *No Immunity.* The County is not immune from any lawsuit brought by the Bank to enforce any of the contractual obligations under this Agreement, the Reserve Fund Warrants or any other Related Document to which the County is a party.

(m) *Tax Exempt Status.* No action has been taken or omitted to be taken, and the County knows of no action taken by any Governmental Authority, which action, if taken or omitted, would adversely affect the exclusion of interest on the Warrants from gross income for purposes of federal income taxation.

(n) *Compliance with Law.* The County is in compliance in all material respects with the requirements of the Charge Ordinance, all Laws and all orders, writs, injunctions and decrees applicable to it and its properties, except in such instances in which such requirement of the Charge Ordinance, any Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted.

(o) *Additional Certificates.* Any certificates signed by any authorized representative of the County and delivered to the Bank pursuant to this Agreement or any other Related Document shall be deemed a representation and warranty by the County to the Bank as to the statements made in such certificate with the same effect as if such representation and warranty were set forth by the County herein.

(p) *Anti-Corruption Laws and Sanctions.* The County has implemented and maintains in effect policies and procedures designed to ensure compliance by the County and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the County and its officers and employees and, to the knowledge of the County, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the County or, to the knowledge of the County, any of its officers or employees, or (b) to the knowledge of the County, any agent of the County that will act in any capacity in connection with or benefit from the Letters of Credit is a Sanctioned Person. No Drawing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE VI

COVENANTS OF THE COUNTY

The County covenants and agrees that it will do the following unless and until the Letters of Credit shall have terminated and all Obligations shall have been paid in full.

Section 6.01 Parity Debt. The County shall not issue or incur any Parity Debt secured by a Lien on or pledge of the System Revenues unless in compliance with the terms of the Indenture.

Section 6.02 Financial and Other Reports. The County shall furnish the following reports to the Bank:

(i) as soon as available and, in any event, within two hundred seventy (270) days after the close of each fiscal year of the County, the Comprehensive Annual Financial Report of the County, certified and prepared by an independent certified public accountant in accordance with GAAP, consistently applied, together with a written certificate signed by the chief financial officer or other appropriate officer of the County to the effect that, to the best of such officer's knowledge and belief, no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by the County to remedy the same;

(ii) when and as filed, a copy of all items delivered by the County pursuant to its continuing disclosure undertaking with respect to the Warrants pursuant to Securities and Exchange Act Rule 15c2-12 ;

(iii) as soon as available, but not later than sixty (60) days after adoption by the County, the County's budget for the System and a copy of the capital budget of the System, and any material amendments thereto as and when said amendments become available to the general public; and

(iv) such other statements, accounts, budgets, forecasts or reports with respect to the County and the System as the Bank may reasonably request; *provided*, that such requests from the Bank shall be limited to once per quarter in any calendar year except that, from and after the occurrence of an Event of Default and during the continuation thereof, the Bank may make such requests without regard to the foregoing limitation.

As and to the extent that any financial statement, audit report or other filing described in sub-clauses (i) – (iv) above has been filed on a timely basis through EMMA or posted on the County's investor website and the County has provided written notice thereof to the Bank, the requirements of this Section 6.02 with respect thereto shall be deemed satisfied; *provided, however*, that if any information is posted on EMMA, the County shall provide notice to the Bank, via electronic mail, of the posting of the same.

Section 6.03 Notices. The County shall deliver to the Bank, in form and detail reasonably satisfactory to the Bank: (a) within thirty (30) days of the occurrence of any Default or Event of Default hereunder or any other default or event of default (however designated) under the Indenture, a duly completed certificate signed by a responsible officer of the County setting forth the details thereof and the action which the County is taking or proposes to take with respect thereto and also covering such other matters as the Bank may specify; (b) promptly upon obtaining actual knowledge thereof, written notice of (i) any breach or non-performance of, or any default under, a contractual obligation of the County relating to the System; (ii) any dispute, litigation, investigation, proceeding or suspension between the County and any Governmental Authority; and (iii) the commencement of, or any development in, any litigation or proceeding affecting the County relating to the System; *provided, however*, that in each instance described in the foregoing clauses (i), (ii) and (iii), no such written notice will be required if the subject thereof could not reasonably be expected to have a material adverse effect on the ability or the power of the County to perform its obligations hereunder or under the Warrants or any other Related Document; (c) no later than ten (10) days prior to the effective date thereof, any proposed waiver, amendment or modification of any Related Document or the Official Statement; (d) within ten (10) days of the occurrence thereof, any change in any ratings assigned by any Rating Agency to the Warrants or any long-term unenhanced ratings assigned by any Rating Agency to any other Parity Debt of the County secured by or payable from System Revenues on a parity with the Warrants; *provided, however*, if any such change in ratings shall have been posted on EMMA, and notice of said posting shall have been provided to the Bank via electronic mail within ten (10) days of such posting, the requirements of this Section 6.03(d) will be deemed satisfied; (e) promptly, copies of all communications delivered or received under any Related Document or from any Governmental Authority relating to the transactions contemplated by this Agreement and any other Related Document; *provided, however*, that in each instance described in this clause (e), no such communication needs to be delivered if the subject thereof could not reasonably be expected to have a material adverse effect on the ability or the power of the County to perform its obligations hereunder or under the Warrants or any

other Related Document; and (f) within thirty (30) days of the delivery thereof, copies of the information sent to the Trustee pursuant to Sections 10.6, 10.8 and 10.9 of Original Indenture.

Section 6.04 Payment of Obligations. The County shall pay and discharge, as the same shall become due and payable, all its obligations and liabilities related to the System including, without limitation, all Parity Debt; *provided, however*, that if an obligation or liability is being contested in good faith by appropriate proceedings diligently conducted, the requirements of this Section 6.04 shall be suspended for so long as said proceedings are being pursued diligently and in good faith.

Section 6.05 Preservation of Existence, Etc. The County will maintain its existence and will not take any actions, or omit to take any action that could result, under applicable State law, in the termination of its existence.

Section 6.06 Compliance with Laws. The County shall comply in all material respects with the requirements of the Charge Ordinance, all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property. The County will maintain in effect and enforce policies and procedures designed to ensure compliance by the County and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 6.07 Books and Records. (a) The County shall maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the County, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory or other jurisdiction over the County.

Section 6.08 Compliance with Related Documents. The County shall perform and comply in all material respects with each of the covenants, as in effect on the Closing Date or as such covenants may thereafter be amended or supplemented, set forth in the Related Documents that are binding on it.

Section 6.09 Use of Proceeds. The County shall use the proceeds of the Warrants as provided for in the Indenture and not in contravention of any Law. The County shall ensure that its officers, employees and agents shall not use, or cause to be used, the proceeds of the Warrants (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto

Section 6.10 Limitations on Amendments to Related Documents. In addition to any requirements of Article 13 of the Original Indenture relating to whether the County and the Trustee are required to obtain the consent of any amendment from the holders of the Warrants, the County shall not amend or otherwise modify any of Articles 1, 2, 3 or 9, Sections 8.2(a)(2), 10.9 or 12.8 of the Original Indenture or any provision of the First Supplemental Indenture in a way that could reasonably be expected to materially adversely affect the rights, duties or

obligations of the Bank under or with respect to the Reserve Fund Warrants, the Letters of Credit or the Collateral Agreement without the prior written consent of the Bank. For the avoidance of doubt, issuance of additional Secured Obligations in compliance with the provisions of Article 8 of the Original Indenture (and the addition of any definitions to Article 1 necessitated thereby) shall not be deemed to materially adversely affect the rights, duties or obligations of the Bank within the meaning of this Section.

Section 6.11 Rating on Warrants. The County shall at all times maintain long-term credit rating on the Warrants from Fitch and S&P.

Section 6.12 Accuracy of Information. All data, certificates, reports, documents and other information furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement shall, at the time the same are so furnished, (a) be complete and correct in all material respects to the extent necessary to give the Bank true and accurate knowledge of the subject matter thereof, and (b) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and the furnishing of the same to the Bank shall constitute a representation and warranty by the County to that effect. Each financial statement furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement, shall, at the time the same is so furnished, fairly present the financial condition and results of operations of the County.

Section 6.13 Documents Related to Other Securities of the County. Prior to the issuance thereof, the County shall notify the Bank of the sale or placement of any securities of which the County is issuer or which are issued for its direct benefit and which are secured by any portion of the System Revenues, and as soon as practicable but in any event within ten (10) days after the issuance thereof, provide the Bank with copies of any such prospectus, official statement, offering circular or placement memorandum, and any supplements thereto, that the County makes available in connection with the offering for sale of any securities of which it is the issuer or which are issued for its direct benefit, and which are secured by any System Revenues; *provided, however*, that this Section 6.13 shall not apply to Unsecured Obligations (as defined in the Original Indenture) undertaken in compliance with the terms of the Original Indenture.

Section 6.14 Tax Status of Warrants. The County shall not take any action or suffer any action to be taken by others that will impair the tax-exempt status of the Warrants.

Section 6.15 Partial Substitution. The County shall not provide or permit to be provided credit enhancement for the Senior Lien Debt Service Reserve Fund or the Subordinate Lien Debt Service Reserve Fund (each as defined in the Indenture) other than the related Letter of Credit unless the Senior Lien Letter of Credit or the Subordinate Lien Letter of Credit, as the case may be, shall have been returned to the Bank for cancellation and all Obligations related thereto shall have been paid in full.

Section 6.16 Official Statement. The County shall not refer to the Bank in any offering document or make any changes in reference to the Bank in any offering document without the

Bank's prior written consent thereto (the Bank hereby giving its written consent to the reference to it in the Official Statement as in effect on the Closing Date to the extent the same conforms to information provided by the Bank for inclusion in such Official Statement). The Bank acknowledges that the information regarding the Bank that has been included under the heading "SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT – Certain Information Respecting JPMorgan Chase Bank" in the preliminary official statement and official statement prepared by the County in connection with the sale of the Warrants has been prepared and delivered by the Bank for use by the County therein.

Section 6.17 Immunity. The County shall not assert any immunity it may have against lawsuits with respect to the enforcement of any of the contractual obligations of the County under this Agreement or the Reserve Fund Warrants; *provided*, that this provision shall not preclude the County from asserting any other defenses available to it against the Bank in any such action.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default and Remedies. If any of the following events shall occur, each such event shall be an "*Event of Default*":

(a) the County shall fail to pay (i) any principal of or interest on any Reserve Fund Warrant as and when due under the First Supplemental Indenture from and after the related Reserve Fund Warrant Issuance Date or (ii) any other Obligations (other than Reimbursement Obligations) within fifteen (15) calendar days of the date when due; or

(b) any representation or warranty made by the County in this Agreement (or incorporated herein by reference) shall prove to have been incorrect, incomplete or misleading in any material respect when made;

(c) an "*event of default*" shall have occurred under the Indenture;

(d) default in the due observance or performance of any other term, covenant or agreement set forth in this Agreement and the continuance of such default for thirty (30) days immediately following the date that written notice of said default was delivered by the Bank to the County;

(e) (i) any provision of this Agreement, the Warrants, the Reserve Fund Warrants or the Indenture relating to (y) the ability or the obligation of the County to pay, when due, the principal of or interest on the Warrants, the Reserve Fund Warrants or any Parity Debt or (z) the security for the Warrants, the Reserve Fund Warrants or any Parity Debt as provided in the Indenture (any provision described in clause (y) or (z) being referred to herein as a "*Material Provision*"), shall at any time, and for any reason, cease to be valid and binding on the County, or any such Material Provision shall be declared to be null and void, invalid or unenforceable as the result of a final nonappealable judgment by any federal or state court or as a result of any

legislative or administrative action by any Governmental Authority having jurisdiction over the County; (ii) the County, or any Governmental Authority having the authority to act by and on behalf of the County by virtue of definitive legislative action or pursuant to a final nonappealable judicial determination, shall contest any Material Provision; or (iii) the County, or any Governmental Authority having the authority to act by and on behalf of the County by virtue of definitive legislative action or pursuant to a final nonappealable judicial determination, shall deny that the County has any or further liability under this Agreement, the Warrants, the Reserve Fund Warrants, any Parity Debt or the Indenture;

(f) an Act of Bankruptcy by the County; or

(g) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$5,000,000 shall be entered or filed against the System, the subject of which is/are the System Revenues, and remain unvacated, unsatisfied, unbonded or unstayed, or no appeal thereof shall have been effected by the County, for a period of thirty (30) days after the date of any of the foregoing.

Section 7.02 Remedies. Upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein provided:

(a) pursue any rights and remedies it may have under the Indenture and, to the extent that the County has obligations under the Collateral Agreement, pursue any rights and remedies thereunder against the County; and

(b) pursue any other action available at law or in equity including, without limitation, to petition the Bankruptcy Court or any other court of competent jurisdiction for an order enforcing this Agreement, any other Related Document and the requirements of the Confirmed Plan of Adjustment.

(c) The foregoing rights and remedies notwithstanding, the Bank will have no right to withhold or delay its obligations under the Letters of Credit after the occurrence, and during the continuation, of an Event of Default hereunder.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Amendments, Etc. No amendment or waiver of any provision or term of this Agreement or a Letter of Credit, and no consent to any departure by the County or any other party therefrom, shall be effective unless in writing signed by the Bank and the County, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Bank has consented to such amendment or waiver, as applicable, in writing.

Section 8.02 Notices; Effectiveness; Electronic Communications.

(a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule I, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Bank; *provided* that the foregoing shall not apply to notices to the Bank pursuant to Article II if the Bank has notified the County that it is incapable of receiving notices under such Article by electronic communication. The Bank or the County may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc.* The County or the Bank may change its address, telecopier or telephone number for notices and other communications hereunder by written notice to the other party hereto.

(d) *Reliance by Bank.* The Bank shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the County even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The County shall indemnify the Bank

and the Related Parties of the Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the County; *provided, however*, that the County shall not be required to indemnify the Bank or any Related Party under this Section 8.02(d) to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank or such Related Party.

Section 8.03 No Waiver; Cumulative Remedies; Enforcement; Conflict. No failure by the Bank to exercise, and no delay by the Bank in exercising, any right, remedy, power or privilege hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Related Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

To the extent of any conflict between this Agreement and the Indenture, (a) the Indenture shall be the controlling document with respect to the Reserve Fund Warrants and (b) this Agreement shall be the controlling document with respect to all other obligations of the County not specified in the Indenture.

Section 8.04 Liability of the Bank; Indemnification.

(a) *Liability of Bank.* With respect to the Bank, the County assumes all risks of the acts or omissions of the Trustee and its agents in respect of their use of this Agreement or any amounts made available by the Bank under the Letters of Credit. No Indemnitee (as hereinafter defined) shall be liable or responsible for: (i) the use which may be made of this Agreement or any amounts made available by the Bank under the Letters of Credit or for any acts or omissions of the Trustee or its agents in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) any other circumstances whatsoever in making or failing to make payment under a Letter of Credit, except only that the County shall have a claim against the Bank, and the Bank shall be liable to the County to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the County which the County proves were caused by the Bank's gross negligence or willful failure to make payment under a Letter of Credit in accordance with the terms hereof. In furtherance and not in limitation of the foregoing, the Bank may accept documents that the Bank in good faith determines appear on their face to be in order, without responsibility for further investigation. The County assumes all risks associated with the acceptance by the Bank of documents received by telecommunication, it being agreed that the use of telecommunication devices is for the benefit of the County and that the Bank assumes no liabilities or risks with respect thereto.

(b) *Indemnification by the County.* To the extent permitted by law, the County agrees to indemnify and hold harmless the Bank and each of its Related Parties (each an "Indemnitee"), but solely from the System Revenues (pursuant to the Indenture) and no other assets of the County, from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which an Indemnitee may incur (or which may be claimed against

an Indemnitee by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under the Letters of Credit and the Related Documents including, without limitation, the offering and sale of Warrants (including, without limitation, by reason of any untrue statement or alleged untrue statement contained or incorporated by reference in any preliminary official statement or official statement (other than information therein set forth in the heading entitled "SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT – Certain Information Respecting JPMorgan Chase Bank"), or in any supplement or amendment thereof, prepared with respect to the Warrants, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver a preliminary official statement or an official statement to any offeree or purchaser of Bonds); *provided, however*, that the County shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Bank. Nothing in this Section 8.04(b) is intended to limit the obligations of the County under the Warrants or of the County to pay its Obligations hereunder and under the other Related Documents, but any such obligations, to the extent payable and permitted by law, shall be payable solely from the sources therein described.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the County shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document, the Warrants or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, or the Letters of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, the County shall not be prohibited by the provisions of this Section 8.04(c) from commencing an action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, arbitrator, public board or body, against the Bank for any material breach of this Agreement or the Letters of Credit.

(d) *Payments.* All amounts due under this Section shall be payable not later than fifteen (15) calendar days after demand therefor.

(e) *Survival.* The agreements in this Section shall survive the termination of the Letters of Credit, this Agreement and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.05 Payments Set Aside. To the extent that any payment by or on behalf of the County is made to the Bank and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any

other party, in connection with any proceeding under the Bankruptcy Code or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made.

Section 8.06 Successors and Assigns.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the County may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank (which consent shall not be unreasonably withheld). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, participants to the extent provided in subsection (b) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Bank) any legal or equitable right, remedy or claim under or by reason of this Agreement. The Bank may not assign or transfer its obligations under the Letters of Credit (i) unless the Required Transferee Rating is maintained after said assignment or transfer and (ii) without the prior written consent of the County (which consent shall not be unreasonably withheld); *provided, however*, that said obligations and the Letters of Credit may be assigned or transferred by merger, consolidation or operation of law without the consent of the County if the assignee or transferee of the Letters of Credit has agreed to assume and maintain the Letters of Credit on the same terms and conditions as were in effect on the date of such assignment or transfer. Promptly following the assignment or transfer of any Reserve Fund Warrants by the Bank, the Bank shall provide written notice to the County and the Trustee of said assignment and transfer and such other information as the County and the Trustee may reasonably request in order to afford said assignees and transferees the notices and other information to which said assignees and transferees are entitled pursuant to the Indenture; *provided*, that the failure of the Bank to provide said written notice will not render said assignment or transfer of Reserve Fund Warrants void or unenforceable.

(b) *Participations.* The Bank shall have the right to grant participations in one or both of the Letters of Credit to one or more banking institutions (each a "Participant"), and such Participants shall be entitled to the benefits of this Agreement including, without limitation, Article III, Section 8.04 and Section 8.18 hereof, to the same extent as if they were a direct party hereto; *provided, however*, that no such participation by any such Participant shall in any way affect the obligation of the Bank under either Letter of Credit; and provided further that no such Participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank not granted a participation to such Participant; and *provided further* that no Participant shall be entitled to any greater rights than those set forth in this Section 8.06(b). No such participation shall release the Bank from its obligations hereunder or under the Letters of Credit.

(c) *Certain Pledges.* The Bank may assign and pledge all or any portion of the Obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; *provided* that any payment in respect of such assigned Obligations made by the County to the Bank in accordance with the terms of this Agreement shall satisfy the County's Obligations hereunder in respect of

such assigned Obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder or under the Letters of Credit.

Section 8.07 Treatment of Certain Information; Confidentiality. The Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required by any regulatory authority having jurisdiction over it, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement, any other Related Document, the Letters of Credit or the Warrants or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the County or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Bank or any of its Affiliates on a non-confidential basis from a source other than the County.

For purposes of this Section, "*Information*" means all information received from the County about it or its businesses, other than any such information that is available to the Bank on a non-confidential basis prior to disclosure by the County; *provided* that, in the case of information received from the County after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Bank acknowledges that (i) the Information may include material non-public information concerning the County, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

Section 8.08 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.09 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or Event of Default at the time of any payment under either Letter of Credit, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied or a Letter of Credit shall remain outstanding.

Section 8.10 Severability. If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.11 Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE COUNTY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ALABAMA, WITHOUT REGARD TO CHOICE OF LAW RULES. THE COUNTY AND THE BANK HEREBY AGREE THAT NOTHING CONTAINED IN THIS SECTION 8.11 SHALL LIMIT OR OTHERWISE MODIFY THE RETAINED JURISDICTION OF THE BANKRUPTCY COURT PURSUANT TO THE CONFIRMED PLAN OF ADJUSTMENT.

Section 8.12 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.13 No Advisory or Fiduciary Responsibility. The County understands and agrees that neither the Bank nor any of its Affiliates has acted, or is acting, as its financial advisor, municipal advisor, or in any other advisory, agency or fiduciary capacity with respect to this Agreement, any other Related Document, the Warrants or any of the transactions contemplated hereby or thereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), whether or not the Bank or any of its Affiliates has provided or is currently providing other services to the Bank on related or other matters. In addition, the County acknowledges that it has determined, without reliance upon the Bank or any of its Affiliates, the financial and economic risks and merits, as well as the legal, tax and accounting characterizations and consequences, of this Agreement, the other Related Documents, the Warrants and the transactions contemplated hereby and thereby and it is capable of assuming such risks.

Section 8.14 Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.15 Government Regulations. The Bank hereby notifies the County that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), it is required to obtain, verify and record information that identifies the County, which information includes the name and address of the County and other information that will allow the Bank to identify the County in accordance with the Patriot Act. The County shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

Section 8.16 Unconditional Obligations. The obligations of the County under this Agreement shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Indenture and this Agreement, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Collateral Agreement, the Warrants or the Indenture;

(b) any amendment or waiver of or any consent to or departure from a material term of the Warrants or all or any of the Related Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the County, the Trustee or any other Person in connection with this Agreement, any other Related Document, the Warrants or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto or pursuant to a Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement; *provided that* such payment shall not have constituted gross negligence or willful misconduct of the Bank;

(f) the Bank or any correspondent honoring a drawing against a Payment Document up to the Available Amount of the Letter of Credit even if such Payment Document claims an amount in excess of the Available Amount of the Letter of Credit; or

(g) the Bank or any correspondent having previously paid against fraudulently signed or presented Payment Documents (whether or not the County shall have repaid the Bank for such Drawing).

Section 8.17 Expenses and Taxes. The County will promptly pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the County hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the Letters of Credit, this Agreement or any Related Document in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the County under this Section 8.17 shall survive the termination of this Agreement.

Section 8.18 Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 8.01 hereof.

Section 8.19 Dealing with the County and/or the Trustee. The Bank and its Affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the County and/or the Trustee regardless of the capacity of the Bank hereunder.

Section 8.20 Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.21 Limited Liability of County. Notwithstanding any other provision of this Agreement to the contrary, all payment obligations of the County to the Bank hereunder are special, limited obligations of the County payable solely from the System Revenues and other

funds available for such purposes under the Indenture and subject to the priority of payments established pursuant to the Indenture.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

JEFFERSON COUNTY, ALABAMA

By_____

Name_____

Title_____

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By_____

Name_____

Title_____

SCHEDULE I
CERTAIN ADDRESSES FOR NOTICES

COUNTY:

[TEXT TO COME]

BANK:

[TEXT TO COME]

APPENDIX A
FORM OF SENIOR LIEN LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT

December [___], 2013

U.S. \$[_____]

Credit No. CTCS – [_____]

Wells Fargo Bank, N.A., as
Trustee (the “*Trustee*”)
under the Trust Indenture,
dated December 1, 2013, as supplemented
by the First Supplemental Indenture,
dated [December 1, 2013], each
between Jefferson County, Alabama
and the Trustee (the “*Indenture*”)

[ADDRESS TO COME]

Attention: **[INFO TO COME]**

Ladies and Gentlemen:

We (the “*Bank*”), pursuant to that certain Reimbursement Agreement, dated as of December 1, 2013, between the County and the Bank (as amended or modified from time to time, the “*Reimbursement Agreement*”), hereby establish in your favor as Trustee, for the benefit of the holders of the Series 2013 Senior Lien Obligations (as hereinafter defined), our irrevocable Letter of Credit No. CTCS - [_____] for the account of JEFFERSON COUNTY, ALABAMA (the “*County*”). We hereby irrevocably authorize you to draw on us from time to time, from and after the date hereof to and including the earliest to occur of (the “*Termination Date*”):

- (i) our close of business on [October 10, 2053] (the “*Stated Expiration Date*”),
- (ii) our delivery to you of Cash Collateral (as defined below) in an amount equal to the Stated Amount (as defined below) in replacement of this Letter of Credit together with a certificate substantially in the form of Exhibit A2 hereto, and
- (iii) our close of business on the date which is ten (10) days following the date specified in a certificate delivered by you and substantially in the form set forth as Exhibit A1 hereto, accompanied by the original of this irrevocable Letter of Credit,

a maximum aggregate amount not exceeding [TEXT TO COME DESCRIBING SIZE OF L/C] Dollars (U.S. \$\$[_____]) (the “*Stated Amount*”) to pay principal of and/or accrued interest on the Series 2013 Senior Lien Obligations (as defined in the Indenture), which Series 2013 Senior Lien Obligations were issued pursuant to the Indenture, to the extent amounts are not otherwise available under the Indenture to pay such amount pursuant to the Indenture. “*Cash Collateral*” means the monies delivered by us to you pursuant to Exhibit A2 of this Letter of Credit in connection with the termination of such Letter of Credit.

Funds under this Letter of Credit are available to the Trustee against the Trustee’s presentation of the certificate described hereinbelow (a “*Payment Document*”) which shall be made by telecopier at (312) 954-6163 or alternately to (312) 954-3140), Attention: Standby Letter of Credit Unit, or at any office or offices or number or numbers which may be designated by the Bank by written notice delivered to the Trustee, without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of Drawing. Each demand for payment under this Letter of Credit shall be made under a drawing certificate in the form attached as Exhibit B hereto (a “*Drawing*”), each such certificate to state therein that it is given by your duly authorized officer and dated the date such certificate is presented hereunder.

We agree to honor and pay the amount of any Drawing if presented in compliance with all of the terms and conditions of this Letter of Credit. If such Drawing is presented prior to 2:30 p.m., prevailing New York City time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 11:00 a.m., prevailing New York City time, on the following Business Day. If any such Drawing, is presented at or after 2:30 p.m., prevailing New York City time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 11:00 a.m., prevailing New York City time, on the second succeeding Business Day. “*Business Day*” means a day which is not (a) a Saturday or Sunday, (b) a legal holiday on which banking institutions in the State of Illinois or the State of New York are authorized by law to close, (c) a day on which the office of the Bank for presentation of a Payment Document is authorized by law to close, (d) a day on which the Trustee is authorized to be closed under general law or regulation applicable in the place where the Trustee performs its business with respect to the Indenture or (e) a day on which the New York Stock Exchange is closed.

The “*Stated Amount*” of this Letter of Credit shall be reduced automatically and permanently from time to time, without the possibility of reinstatement, as of the next Business Day following the date of our receipt of a certificate of the Trustee in the form of Exhibit C hereto (appropriately completed) (a “*Reduction Certificate*”) to the amount specified in such Certificate as the amount to which the Stated Amount is so reduced. Upon our receipt of such Reduction Certificate, we will deliver to you a notice substantially in the form of Exhibit D hereto (appropriately completed) to reflect any such reduction.

The Stated Amount of this Letter of Credit will be reduced automatically, subject to reinstatement as described below, from time to time as of the next Business Day following the date that cash and/or Qualified Investments (as defined in the Indenture) that have been delivered to you pursuant to the Collateral Support Agreement, dated as of December 1, 2013, between

you and us (as amended or otherwise modified from time to time, the “*Collateral Agreement*”) are applied to pay principal of and/or accrued interest on the Series 2013 Senior Lien Obligations (said cash and Qualified Investments delivered pursuant to the Collateral Agreement being referred to herein as “*Posting Collateral*”). Notice of such application of Posting Collateral will be provided to us by delivery of a certificate in the form of Exhibit F (appropriately completed) (a “*Collateral Application Certificate*”) hereto signed by you, in which certificate you shall acknowledge and confirm the reduction of the Stated Amount in an amount equal to the Posting Collateral applied by you to pay the principal of and/or accrued interest on Series 2013 Senior Lien Obligations. Application of Posting Collateral as described herein will, for purposes of the next succeeding paragraph, constitute a “*Collateral Application*” hereunder.

The Stated Amount of this Letter of Credit will be reduced automatically by the amount of any Drawing paid or Collateral Application made hereunder; *provided however*, that to the extent that any Drawing or Collateral Application is repaid to the Bank (or any successor or assign thereof), together with interest accrued thereon, on or prior to the second (2nd) anniversary of the date of such Drawing or Collateral Application, the Stated Amount will be reinstated automatically in an amount equal to (a) the amount of the Drawing or Collateral Application repaid to the Bank (or any successor or assign thereof) upon receipt thereof or (b) the amount of the Posting Collateral repaid to the Bank (or any successor or assign thereof) upon receipt thereof. Notice of such reinstatement will be provided to the Bank by delivery of a certificate in the form of Exhibit G hereto (appropriately completed) (a “*Reinstatement Certificate*”) signed by you in which certificate you shall acknowledge and confirm the reinstatement of the amount. Any such reinstatement will be effective as of the Business Day following our receipt of such notice and will be confirmed by delivery to you of a Notice of Reinstatement as per Exhibit H hereto (appropriately completed) to reflect such reinstatement. From and after the date immediately following the second (2nd) anniversary of the date of a Drawing or Collateral Application that has not been repaid to the Bank (or any successor or assign thereof) by the County, the Stated Amount of this Letter of Credit will no longer be subject to reinstatement.

The amount available to be drawn hereunder at any particular time (the “*Available Amount*” of this Letter of Credit) shall be the Stated Amount from time to time less (1)(A) the amount of all Drawings paid and Collateral Applications processed under this Letter of Credit that are not subject to reinstatement as stated hereinabove, and (B) the amount by which the Stated Amount has been reduced on a permanent basis pursuant to a Reduction Certificate plus (2) the amount of all reinstatements due to Drawings paid and Collateral Applications processed that have been repaid to the Bank together with interest thereon.

Upon the Termination Date, this Letter of Credit shall automatically terminate, and you agree to promptly deliver the same to the Bank for cancellation. Failure to deliver said Letter of Credit will have no effect on such termination, and the Letter of Credit will still be considered terminated on the Termination Date.

This Letter of Credit is transferable to any transferee who has succeeded you as Trustee under the Indenture, and may be successively transferred. Any transfer request must be affected by presenting to us the attached form of Exhibit E hereto signed by the transferor and the transferee together with the original of this Letter of Credit and any amendments thereto. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without the

necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided* that, in such case, any certificates of the Trustee to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

Communications with respect to this Letter of Credit shall be addressed to us at JPMorgan Chase Bank, National Association, 131 South Dearborn, 5th Floor, Mail Code IL1-0236, Chicago, IL 60603-5506, Attention: Standby Letter of Credit Unit, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969, select Option 1, and have this Letter of Credit number available. Except for any Payment Document, any communication to the Bank which is made by telecopier as permitted hereby shall be immediately confirmed in writing delivered to the Bank at the address of the Bank set forth above; *provided* that failure to provide such written confirmation shall not affect the validity of such notice by telecopier.

Except as expressly stated herein, this Letter of Credit shall be governed by the International Standby Practice 1998, International Chamber of Commerce Publication No. 590 (the “ISP98”) and, to the extent not governed by the ISP, by the laws of the State of New York, including, without limitation, Article 5 of the Uniform Commercial Code as in effect in the State of New York without regard to principles of conflict of laws.

All payments made by us hereunder shall be made from our own funds and not from the funds of any other Person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
Name: _____
Title: _____

EXHIBIT A1
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF TERMINATION

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, Illinois 60603
Attention: Manager, Standby Letter of Credit Unit
Telephone: 800-634-1969
Facsimile: 312-954-5986

with a copy to:

JPMorgan Chase Bank, National Association
Mail Code IN1-0045
1 East Ohio Street, 4th Floor
Indianapolis, Indiana 46277-0045
Attention: Nancy A. Dorsa, Vice President
Telephone: 317-767-8344
Facsimile: 317-767-8008

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (as amended from time to time, the “*Letter of Credit*”), which has been established in favor of JEFFERSON COUNTY, ALABAMA.

The undersigned hereby certifies and confirms that, as of [_____ __, ____*] [* - *Trustee to specify the applicable date and select from the following options*] [no Series 2013 Senior Lien Obligations (as defined in the Letter of Credit) remain Outstanding within the meaning of the Indenture (as defined in said Letter of Credit)]/[all Drawings required to be made under the Indenture and available under the Letter of Credit have been made and honored]/[an alternate to the Letter of Credit has been delivered to the Trustee in replacement of the Letter Credit in accordance with the Indenture]/[Cash Collateral (as defined in the Letter of Credit) in an amount equal to the Stated Amount has been delivered to the Trustee together with a certificate substantially in the form of Exhibit A2 to this Letter of Credit] and, accordingly, said Letter of Credit shall be terminated in accordance with its terms.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT A2
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF CASH COLLATERAL DELIVERY AND TERMINATION BY THE BANK

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We hereby notify you that, in accordance with the terms of the Letter of Credit, the Reimbursement Agreement and the Collateral Agreement (as such terms are defined in the Letter of Credit), we are hereby delivering to you herewith Cash Collateral (as such term is defined in the Letter of Credit) in an amount equal to the Stated Amount of the Letter of Credit and are instructing you to terminate the Letter of Credit effective on the Business Day immediately following receipt of this Notice and the Cash Collateral and to promptly return said Letter of Credit to us for cancellation.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
Name: _____
Title: _____

EXHIBIT B
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

DRAWING CERTIFICATE

JPMorgan Chase Bank, National Association
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned, a duly authorized officer of _____ (the “Trustee”), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the “Letter of Credit”), issued by JPMorgan Chase Bank, National Association (the “Bank”) in favor of the Trustee; (ii) those certain Series 2013 Senior Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The undersigned hereby certifies and confirms that [* - *Trustee to specify the applicable option*]

- [a deficiency of \$_____ exists in the amount on deposit in the Series 2013 Senior Lien Debt Service Fund (as defined in the Indenture) which amount is to be used to pay regularly scheduled principal and/or interest on the Series 2013 Senior Lien Obligations on [_____, ____*] [*-*Trustee to specify date on which principal and/or interest are next due*] and, as a result thereof, amounts on deposit in the Senior Lien Debt Service Reserve Fund (as defined in the Indenture) in an amount equal to said deficiency are required by Section 9.6 of the Indenture to be transferred to the Series 2013 Senior Lien Debt Service Fund. The amount of this drawing, \$_____, is equal to the greater of (y) \$100,000 and (z) the amount of said deficiency and does not exceed the Available Amount of the Letter of Credit as presently in effect.]

OR

- [the Bank has failed to deliver Posting Collateral (as defined in the Letter of Credit) to the Trustee in accordance with the Collateral Agreement (as such term is defined in the Letter of Credit) and, accordingly, the amount of this drawing is equal to the Available Amount of the Letter of Credit as presently in effect.]

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

_____, as Trustee

EXHIBIT B
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

By: _____
[Title of Authorized Officer]

EXHIBIT C
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REDUCTION CERTIFICATE

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, Illinois 60603
Attention: Manager, Standby Letter of Credit Unit
Telephone: 800-634-1969
Facsimile: 312-954-5986

with a copy to:

JPMorgan Chase Bank, National Association
Mail Code IN1-0045
1 East Ohio Street, 4th Floor
Indianapolis, Indiana 46277-0045
Attention: Nancy A. Dorsa, Vice President
Telephone: 317-767-8344
Facsimile: 317-767-8008

Dear Sirs:

The undersigned individual, a duly authorized officer of _____ (the “Trustee”), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Transferable Direct Pay Letter of Credit No. CTCS - [_____], dated December [___], 2013 (the “*Letter of Credit*”), issued by JPMorgan Chase Bank, National Association in favor of the Trustee; (ii) those certain Series 2013 Senior Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.
2. The Series 2013 Senior Lien Reserve Fund Requirement (as defined in the Indenture) has been reduced to \$_____.
3. As a result, upon receipt by the Bank of this Certificate, the Stated Amount (as defined in the Letter of Credit) shall be reduced by \$_____, and the Stated Amount shall thereupon equal \$_____, all in accordance with the provisions of the Indenture.

EXHIBIT C
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

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

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT D
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF REDUCTION AMENDMENT

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Amount of the Letter of Credit has been reduced to \$_____.

This letter shall be attached to the Letter of Credit and made a part thereof.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
[Title of Authorized Officer]

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REQUEST FOR TRANSFER

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, IL 60606-0236
Attn: Standby Letter of Credit

Date: _____

Re: Irrevocable Letter of Credit No. CTCS - _____

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the "*Credit*") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98 Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity if any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Indenture, (b) the enclosed Credit is original and complete and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred.

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

The effective date shall be the date hereafter on which Transferor effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

This Request is made subject to ISP98 and is subject to and shall be governed by Article 5 of the Uniform Commercial Code of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.
_____ (Print Name of Bank)
_____ (Address of Bank)
_____ (City, State, Zip Code)
_____ (Print Name and Title of Authorized Signer)
_____ (Authorized Signature)
_____ (Telephone Number)
_____ (Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.
_____ (Print Name of Bank)
_____ (Address of Bank)
_____ (City, State, Zip Code)
_____ (Print Name and Title of Authorized Signer)
_____ (Authorized Signature)
_____ (Telephone Number)
_____ (Date)

Acknowledged as of _____, 20__

By: _____
Name: _____
Title: _____

EXHIBIT F
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

COLLATERAL APPLICATION CERTIFICATE

JPMorgan Chase Bank, National Association
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned, a duly authorized officer of _____ (the “Trustee”), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Letter of Credit No. CTCS - [_____], dated December [___], 2013 (the “Letter of Credit”), issued by JPMorgan Chase Bank, National Association (the “Bank”) in favor of the Trustee; (ii) those certain Series 2013 Senior Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The undersigned hereby certifies and confirms that, as Trustee under the Indenture, it has applied Posting Collateral (as defined in this Letter of Credit) in an amount equal to \$_____ on _____, _____ in order to pay principal of and accrued interest on the Series 2013 Senior Lien Obligations. Delivered herewith is a principal amount of Reserve Fund Warrants in an amount equal to \$_____. (“Reserve Fund Warrants” mean Jefferson County, Alabama’s Senior Lien Reserve Fund Reimbursement Warrants issued pursuant to the First Supplemental Indenture, between the Jefferson County, Alabama and Wells Fargo Bank, National Association, as trustee, dated as of December 1, 2013 (as the same may be amended or otherwise modified from time to time)).

3. As a result of the action described in 2. above, upon receipt by the Bank of this Certificate, the Stated Amount (as defined in the Letter of Credit) shall be reduced by \$_____, and the Stated Amount shall thereupon equal \$_____, all in accordance with the provisions of the Indenture. It is our understanding that, upon payment to the Bank of a principal amount of Reserve Fund Warrants as described in 2. above within two years of the delivery of said Reserve Fund Warrants to the Bank, the Stated Amount of the Letter of Credit will be reinstated in the principal amount of such payment.

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

_____.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT G
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REINSTATEMENT CERTIFICATE

JPMORGAN CHASE BANK, N.A.
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned hereby certifies to JPMorgan Chase Bank, N.A. (the “*Bank*”), with reference to Irrevocable Letter of Credit No. _____, dated December __, 2013 (the “*Letter of Credit*”) issued by the Bank in favor of the Trustee, that:

1. The undersigned is the Trustee under the Indenture.
2. [The Trustee has previously made a Drawing under the Letter of Credit on _____ in the amount of U.S. \$_____.*]/[The Trustee has previously submitted a Collateral Application Certificate under the Letter of Credit on _____ in the amount of U.S. \$_____.*][* - *Trustee to designate as applicable*].
3. Payment of the amount of the [Drawing*]/ [Collateral Application*][* - *Trustee to designate as applicable*], together with interest accrued thereon, has been received by the Bank on or prior to the second (2nd) anniversary of the date of such [Drawing*]/ [Collateral Application*][* - *Trustee to designate as applicable*].
4. In accordance with the terms of the Letter of Credit, the Trustee deems that the amount available under the Letter of Credit has been automatically reinstated in the amount of the [Drawing*]/[Collateral Application*][* - *Trustee to designate as applicable*] described above, all in accordance with the terms of the Letter of Credit and this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ____ day of _____, _____.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT H
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF REINSTATEMENT

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We confirm receipt of the Reinstatement Certificate dated [DATE] and hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Amount of the Letter of Credit has been reinstated by \$_____ to \$_____.

This letter shall be attached to the Letter of Credit and made a part thereof.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
[Title of Authorized Officer]

APPENDIX B
FORM OF SUBORDINATE LIEN LETTER OF CREDIT

IRREVOCABLE LETTER OF CREDIT

December [___], 2013

U.S. \$[_____]

Credit No. CTCS – [_____]

Wells Fargo Bank, N.A., as
Trustee (the “*Trustee*”)
under the Trust Indenture,
dated December 1, 2013, as supplemented
by the First Supplemental Indenture,
dated December 1, 2013, each
between Jefferson County, Alabama
and the Trustee (the “*Indenture*”)
[**ADDRESS TO COME**]
Attention: [**INFO TO COME**]

Ladies and Gentlemen:

We (the “*Bank*”), pursuant to that certain Reimbursement Agreement, dated as of December 1, 2013, between the County and the Bank (as amended or modified from time to time, the “*Reimbursement Agreement*”), hereby establish in your favor as Trustee, for the benefit of the holders of the Series 2013 Subordinate Lien Obligations (as hereinafter defined), our irrevocable Letter of Credit No. CTCS - [_____] for the account of JEFFERSON COUNTY, ALABAMA (the “*County*”). We hereby irrevocably authorize you to draw on us from time to time, from and after the date hereof to and including the earliest to occur of (the “*Termination Date*”):

- (i) our close of business on October 10, 2053 (the “*Stated Expiration Date*”),
- (ii) our delivery to you of Cash Collateral (as defined below) in an amount equal to the Stated Amount (as defined below) in replacement of this Letter of Credit together with a certificate substantially in the form of Exhibit A2 hereto, and
- (iii) our close of business on the date which is ten (10) days following the date specified in a certificate delivered by you and substantially in the form set forth as Exhibit A1 hereto, accompanied by the original of this irrevocable Letter of Credit,

a maximum aggregate amount not exceeding [**TEXT TO COME DESCRIBING SIZE OF L/C**] Dollars (U.S. \$\$[_____] (the “*Stated Amount*”) to pay principal of and/or accrued interest on the Series 2013 Subordinate Lien Obligations (as defined in the Indenture), which

Series 2013 Subordinate Lien Obligations were issued pursuant to the Indenture, to the extent amounts are not otherwise available under the Indenture to pay such amount pursuant to the Indenture. “*Cash Collateral*” means the monies delivered by us to you pursuant to Exhibit A2 of this Letter of Credit in connection with the termination of such Letter of Credit.

Funds under this Letter of Credit are available to the Trustee against the Trustee’s presentation of the certificate described hereinbelow (a “*Payment Document*”) which shall be made by telecopier at (312) 954-6163 or alternately to (312) 954-3140), Attention: Standby Letter of Credit Unit, or at any office or offices or number or numbers which may be designated by the Bank by written notice delivered to the Trustee, without further need of documentation, including the original of this Letter of Credit, it being understood that each Payment Document so submitted is to be the sole operative instrument of Drawing. Each demand for payment under this Letter of Credit shall be made under a drawing certificate in the form attached as Exhibit B hereto (a “*Drawing*”), each such certificate to state therein that it is given by your duly authorized officer and dated the date such certificate is presented hereunder.

We agree to honor and pay the amount of any Drawing if presented in compliance with all of the terms and conditions of this Letter of Credit. If such Drawing is presented prior to 2:30 p.m., prevailing New York City time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 11:00 a.m., prevailing New York City time, on the following Business Day. If any such Drawing, is presented at or after 2:30 p.m., prevailing New York City time, on a Business Day, payment shall be made to the account number or address designated by you of the amount specified, in immediately available funds, by 11:00 a.m., prevailing New York City time, on the second succeeding Business Day. “*Business Day*” means a day which is not (a) a Saturday or Sunday, (b) a legal holiday on which banking institutions in the State of Illinois or the State of New York are authorized by law to close, (c) a day on which the office of the Bank for presentation of a Payment Document is authorized by law to close, (d) a day on which the Trustee is authorized to be closed under general law or regulation applicable in the place where the Trustee performs its business with respect to the Indenture or (e) a day on which the New York Stock Exchange is closed.

The “*Stated Amount*” of this Letter of Credit shall be reduced automatically and permanently from time to time, without the possibility of reinstatement, as of the next Business Day following the date of our receipt of a certificate of the Trustee in the form of Exhibit C hereto (appropriately completed) (a “*Reduction Certificate*”) to the amount specified in such Certificate as the amount to which the Stated Amount is so reduced. Upon our receipt of such Reduction Certificate, we will deliver to you a notice substantially in the form of Exhibit D hereto (appropriately completed) to reflect any such reduction.

The Stated Amount of this Letter of Credit will be reduced automatically, subject to reinstatement as described below, from time to time as of the next Business Day following the date that cash and/or Qualified Investments (as defined in the Indenture) that have been delivered to you pursuant to the Collateral Support Agreement, dated as of December 1, 2013, between you and us (as amended or otherwise modified from time to time, the “*Collateral Agreement*”) are applied to pay principal of and/or accrued interest on the Series 2013 Subordinate Lien Obligations (said cash and Qualified Investments delivered pursuant to the Collateral Agreement

being referred to herein as "*Posting Collateral*"). Notice of such application of Posting Collateral will be provided to us by delivery of a certificate in the form of Exhibit F (appropriately completed) (a "*Collateral Application Certificate*") hereto signed by you, in which certificate you shall acknowledge and confirm the reduction of the Stated Amount in an amount equal to the Posting Collateral applied by you to pay the principal of and/or accrued interest on Series 2013 Subordinate Lien Obligations. Application of Posting Collateral as described herein will, for purposes of the next succeeding paragraph, constitute a "Collateral Application" hereunder.

The Stated Amount of this Letter of Credit will be reduced automatically by the amount of any Drawing paid or Collateral Application made hereunder; *provided however*, that to the extent that any Drawing or Collateral Application is repaid to the Bank (or any successor or assign thereof), together with interest accrued thereon, on or prior to the second (2nd) anniversary of the date of such Drawing or Collateral Application, the Stated Amount will be reinstated automatically in an amount equal to (a) the amount of the Drawing or Collateral Application repaid to the Bank (or any successor or assign thereof) upon receipt thereof or (b) the amount of the Posting Collateral repaid to the Bank (or any successor or assign thereof) upon receipt thereof. Notice of such reinstatement will be provided to the Bank by delivery of a certificate in the form of Exhibit G hereto (appropriately completed) (a "*Reinstatement Certificate*") signed by you in which certificate you shall acknowledge and confirm the reinstatement of the amount. Any such reinstatement will be effective as of the Business Day following our receipt of such notice and will be confirmed by delivery to you of a Notice of Reinstatement as per Exhibit H hereto (appropriately completed) to reflect such reinstatement. From and after the date immediately following the second (2nd) anniversary of the date of a Drawing or Collateral Application that has not been repaid to the Bank (or any successor or assign thereof) by the County, the Stated Amount of this Letter of Credit will no longer be subject to reinstatement.

The amount available to be drawn hereunder at any particular time (the "*Available Amount*") of this Letter of Credit) shall be the Stated Amount from time to time less (1)(A) the amount of all Drawings paid and Collateral Applications processed under this Letter of Credit that are not subject to reinstatement as stated hereinabove, and (B) the amount by which the Stated Amount has been reduced on a permanent basis pursuant to a Reduction Certificate plus (2) the amount of all reinstatements due to Drawings paid and Collateral Applications processed that have been repaid to the Bank together with interest thereon.

Upon the Termination Date, this Letter of Credit shall automatically terminate, and you agree to promptly deliver the same to the Bank for cancellation. Failure to deliver said Letter of Credit will have no effect on such termination, and the Letter of Credit will still be considered terminated on the Termination Date.

This Letter of Credit is transferable to any transferee who has succeeded you as Trustee under the Indenture, and may be successively transferred. Any transfer request must be affected by presenting to us the attached form of Exhibit E hereto signed by the transferor and the transferee together with the original of this Letter of Credit and any amendments thereto. Upon our endorsement of such transfer, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided* that, in such case, any certificates of the Trustee to be

Letter of Credit No. CTCS-[_____]

Date: December [___], 2013

provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

Communications with respect to this Letter of Credit shall be addressed to us at JPMorgan Chase Bank, National Association, 131 South Dearborn, 5th Floor, Mail Code IL1-0236, Chicago, IL 60603-5506, Attention: Standby Letter of Credit Unit, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Standby Client Service Unit at 1-800-634-1969, select Option 1, and have this Letter of Credit number available. Except for any Payment Document, any communication to the Bank which is made by telecopier as permitted hereby shall be immediately confirmed in writing delivered to the Bank at the address of the Bank set forth above; *provided* that failure to provide such written confirmation shall not affect the validity of such notice by telecopier.

Except as expressly stated herein, this Letter of Credit shall be governed by the International Standby Practice 1998, International Chamber of Commerce Publication No. 590 (the “ISP98”) and, to the extent not governed by the ISP, by the laws of the State of New York, including, without limitation, Article 5 of the Uniform Commercial Code as in effect in the State of New York without regard to principles of conflict of laws.

All payments made by us hereunder shall be made from our own funds and not from the funds of any other Person.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified or amended by reference to any other document whatsoever.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
Name: _____
Title: _____

EXHIBIT A1
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF TERMINATION

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, Illinois 60603
Attention: Manager, Standby Letter of Credit Unit
Telephone: 800-634-1969
Facsimile: 312-954-5986

with a copy to:

JPMorgan Chase Bank, National Association
Mail Code IN1-0045
1 East Ohio Street, 4th Floor
Indianapolis, Indiana 46277-0045
Attention: Nancy A. Dorsa, Vice President
Telephone: 317-767-8344
Facsimile: 317-767-8008

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (as amended from time to time, the “*Letter of Credit*”), which has been established in favor of JEFFERSON COUNTY, ALABAMA.

The undersigned hereby certifies and confirms that, as of [_____ __, ____*] [* - *Trustee to specify the applicable date and select from the following options*] [no Series 2013 Subordinate Lien Obligations (as defined in the Letter of Credit) remain Outstanding within the meaning of the Indenture (as defined in said Letter of Credit)]/[all Drawings required to be made under the Indenture and available under the Letter of Credit have been made and honored]/[an alternate to the Letter of Credit has been delivered to the Trustee in replacement of the Letter Credit in accordance with the Indenture]/[Cash Collateral (as defined in the Letter of Credit) in an amount equal to the Stated Amount has been delivered to the Trustee together with a certificate substantially in the form of Exhibit A2 to this Letter of Credit] and, accordingly, said Letter of Credit shall be terminated in accordance with its terms.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT A2
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF CASH COLLATERAL DELIVERY AND TERMINATION BY THE BANK

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We hereby notify you that, in accordance with the terms of the Letter of Credit, the Reimbursement Agreement and the Collateral Agreement (as such terms are defined in the Letter of Credit), we are hereby delivering to you herewith Cash Collateral (as such term is defined in the Letter of Credit) in an amount equal to the Stated Amount of the Letter of Credit and are instructing you to terminate the Letter of Credit effective on the Business Day immediately following receipt of this Notice and the Cash Collateral and to promptly return said Letter of Credit to us for cancellation.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
[Title of Authorized Officer]

EXHIBIT B
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

DRAWING CERTIFICATE

JPMorgan Chase Bank, National Association
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned, a duly authorized officer of _____ (the “Trustee”), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Letter of Credit No. CTCS - [_____], dated December [___], 2013 (the “Letter of Credit”), issued by JPMorgan Chase Bank, National Association (the “Bank”) in favor of the Trustee; (ii) those certain Series 2013 Subordinate Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The undersigned hereby certifies and confirms that [* - *Trustee to specify the applicable option*]

- [a deficiency of \$_____ exists in the amount on deposit in the Series 2013 Subordinate Lien Debt Service Fund (as defined in the Indenture) which amount is to be used to pay regularly scheduled principal and/or interest on the Series 2013 Subordinate Lien Obligations on [_____ __, ____*] [*-*Trustee to specify date on which principal and/or interest are next due*] and, as a result thereof, amounts on deposit in the Subordinate Lien Debt Service Reserve Fund (as defined in the Indenture) in an amount equal to said deficiency are required by Section 9.7 of the Indenture to be transferred to the Series 2013 Subordinate Lien Debt Service Fund. The amount of this drawing, \$_____, is equal to the greater of (y) \$100,000 and (z) the amount of said deficiency and does not exceed the Available Amount of the Letter of Credit as presently in effect.]

OR

- [the Bank has failed to deliver Posting Collateral (as defined in the Letter of Credit) to the Trustee in accordance with Collateral Agreement (as such term is defined in the Letter of Credit) and, accordingly, the amount of this drawing is equal to the Available Amount of the Letter of Credit as presently in effect.]

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

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT C
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REDUCTION CERTIFICATE

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, Illinois 60603
Attention: Manager, Standby Letter of Credit Unit
Telephone: 800-634-1969
Facsimile: 312-954-5986

with a copy to:

JPMorgan Chase Bank, National Association
Mail Code IN1-0045
1 East Ohio Street, 4th Floor
Indianapolis, Indiana 46277-0045
Attention: Nancy A. Dorsa, Vice President
Telephone: 317-767-8344
Facsimile: 317-767-8008

Dear Sirs:

The undersigned individual, a duly authorized officer of _____ (the "Trustee"), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Transferable Direct Pay Letter of Credit No. CTCS - [____], dated December [__], 2013 (the "*Letter of Credit*"), issued by JPMorgan Chase Bank, National Association in favor of the Trustee; (ii) those certain Series 2013 Subordinate Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.
2. The Series 2013 Subordinate Lien Reserve Fund Requirement (as defined in the Indenture) has been reduced to \$_____.
3. As a result, upon receipt by the Bank of this Certificate, the Stated Amount (as defined in the Letter of Credit) shall be reduced by \$_____, and the Stated Amount shall thereupon equal \$_____, all in accordance with the provisions of the Indenture.

EXHIBIT C
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

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

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT D
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF REDUCTION AMENDMENT

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Amount of the Letter of Credit has been reduced to \$_____.

This letter shall be attached to the Letter of Credit and made a part thereof.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
[Title of Authorized Officer]

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REQUEST FOR TRANSFER

JPMorgan Chase Bank, National Association
131 South Dearborn, 5th Floor
Mail Code IL1-0236
Chicago, IL 60606-0236
Attn: Standby Letter of Credit

Date: _____

Re: Irrevocable Letter of Credit No. CTCS - _____

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the "*Credit*") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

In accordance with ISP98 Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity if any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor trustee under the Indenture, (b) the enclosed Credit is original and complete and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred.

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

The effective date shall be the date hereafter on which Transferor effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

EXHIBIT E
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

This Request is made subject to ISP98 and is subject to and shall be governed by Article 5 of the Uniform Commercial Code of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.
_____ (Print Name of Bank)
_____ (Address of Bank)
_____ (City, State, Zip Code)
_____ (Print Name and Title of Authorized Signer)
_____ (Authorized Signature)
_____ (Telephone Number)
_____ (Date)

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.
_____ (Print Name of Bank)
_____ (Address of Bank)
_____ (City, State, Zip Code)
_____ (Print Name and Title of Authorized Signer)
_____ (Authorized Signature)
_____ (Telephone Number)
_____ (Date)

Acknowledged as of _____, 20__

By: _____
Name: _____
Title: _____

EXHIBIT F
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

COLLATERAL APPLICATION CERTIFICATE

JPMorgan Chase Bank, National Association
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned, a duly authorized officer of _____ (the “Trustee”), hereby CERTIFIES on behalf of the Trustee as follows with respect to (i) that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the “Letter of Credit”), issued by JPMorgan Chase Bank, National Association (the “Bank”) in favor of the Trustee; (ii) those certain Series 2013 Subordinate Lien Obligations (as defined in the Letter of Credit); and (iii) that certain Indenture (as defined in the Letter of Credit):

1. The undersigned is the Trustee under the Indenture.

2. The undersigned hereby certifies and confirms that, as Trustee under the Indenture, it has applied Posting Collateral (as defined in this Letter of Credit) in an amount equal to \$_____ on _____, _____ in order to pay principal of and accrued interest on the Series 2013 Subordinate Lien Obligations. Delivered herewith is a principal amount of Reserve Fund Warrants in an amount equal \$_____. (“Reserve Fund Warrants” mean Jefferson County Alabama’s Subordinate Lien Reserve Fund Reimbursement Warrants issued pursuant to the First Supplemental Indenture, between the Jefferson County, Alabama and Wells Fargo Bank, National Association, as trustee, dated as of December 1, 2013 (as the same may be amended or otherwise modified from time to time)).

3. As a result of the action described in 2. above, upon receipt by the Bank of this Certificate, the Stated Amount (as defined in the Letter of Credit) shall be reduced by \$_____, and the Stated Amount shall thereupon equal \$_____, all in accordance with the provisions of the Indenture. It is our understanding that, upon payment to the Bank of a principal amount of Reserve Fund Warrants as described in 2. above within two years of the delivery of said Reserve Fund Warrants to the Bank, the Stated Amount of the Letter of Credit will be reinstated in the principal amount of such payment.

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

_____.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT G
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

REINSTATEMENT CERTIFICATE

JPMORGAN CHASE BANK, N.A.
Telecopy No.: (312) 954-6163 or (312) 954-3140
Attention: Manager, Standby Letter of Credit Unit

Dear Sirs:

The undersigned hereby certifies to JPMorgan Chase Bank, N.A. (the "Bank"), with reference to Irrevocable Letter of Credit No. _____, dated December __, 2013 (the "Letter of Credit") issued by the Bank in favor of the Trustee, that:

1. The undersigned is the Trustee under the Indenture.
2. [The Trustee has previously made a Drawing under the Letter of Credit on _____ in the amount of U.S. \$_____.*]/[The Trustee has previously submitted a Collateral Application Certificate under the Letter of Credit on _____ in the amount of U.S. \$_____.*][* - *Trustee to designate as applicable*].
3. Payment of the amount of the [Drawing*]/ [Collateral Application*][* - *Trustee to designate as applicable*], together with interest accrued thereon, has been received by the Bank on or prior to the second (2nd) anniversary of the date of such [Drawing*]/ [Collateral Application*][* - *Trustee to designate as applicable*].
4. In accordance with the terms of the Letter of Credit, the Trustee deems that the amount available under the Letter of Credit has been automatically reinstated in the amount of the [Drawing*]/[Collateral Application*][* - *Trustee to designate as applicable*] described above, all in accordance with the terms of the Letter of Credit and this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate this ____ day of _____, _____.

_____, as Trustee

By: _____
[Title of Authorized Officer]

EXHIBIT H
TO
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT
NO. CTCS-[_____]

NOTICE OF REINSTATEMENT

[Trustee]

Attention: [_____]

Dear Sirs:

Reference is hereby made to that certain Irrevocable Letter of Credit No. CTCS - [____], dated December [___], 2013 (the "*Letter of Credit*"), established by us in your favor as Trustee. We confirm receipt of the Reinstatement Certificate dated [DATE] and hereby notify you that, in accordance with the terms of the Letter of Credit and the Reimbursement Agreement (as defined in the Letter of Credit), the Stated Amount of the Letter of Credit has been reinstated by \$_____ to \$_____.

This letter shall be attached to the Letter of Credit and made a part thereof.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By _____
[Title of Authorized Officer]

Exhibit 5

**Schedule of Holders of Class 1-A (Sewer Warrant Claims) Insured
by One or More Sewer Wrap Policies Issued by Syncora that Did
Not Make the Commutation Election as Provided in Section 2.3(a) of
the Plan**

SCHEDULE OF HOLDERS OF CLASS 1-A (SEWER WARRANT CLAIMS) INSURED BY ONE OR MORE SEWER WRAP POLICIES ISSUED BY SYNCORA THAT DID NOT MAKE THE COMMUTATION ELECTION AS PROVIDED IN SECTION 2.3(a) OF THE PLAN¹

The following Class 1-A Sewer Warrant Claims insured by one or more Sewer Wrap Policies issued by Syncora did not make the Commutation Election as provided in Section 2.3(a) of the Plan (the “Syncora Non-Commuting Warrants”). The Syncora Non-Commuting Warrants remain subject to the provisions of the Sewer Warrant Indenture, as supplemented by the Sixth Supplemental Indenture, dated as of October 1, 2002, between the County and Sewer Warrant Trustee, as modified by the Plan.

SERIES 2002-C-1 Sewer Warrants

CUSIP	Maturity Date	Principal Balance Before Plan Distribution	Principal Balance After Plan Distribution
472682KA0	2/1/2040	\$250,000.00	\$87,500.00
472682KB8	2/1/2040	\$850,000.00	\$297,500.00
472682KC6	2/1/2040	\$400,000.00	\$140,000.00

¹ Nothing contained in this schedule is intended to or shall alter, modify, or revise the Plan in any respect. The terms of the Plan supersede and control over any conflicting or inconsistent provision of this schedule, and in the event of any conflict or inconsistency between the Plan and this schedule, the terms of the Plan shall be governing.

Exhibit 6

Schedule of Post-Effective Date Sewer Wrap Payment Rights for Holders of Class 1-A (Sewer Warrant Claims) Insured by One or More Sewer Wrap Policies Issued by Assured Guaranty Municipal Corp. that Did Not Make or Were Deemed Not to Make the Commutation Election as Provided in Sections 2.3(a) and 4.7(a) of the Plan

SCHEDULE OF POST-EFFECTIVE DATE SEWER WRAP PAYMENT RIGHTS FOR
HOLDERS OF CLASS 1-A (SEWER WARRANT CLAIMS) INSURED BY ONE OR MORE
SEWER WRAP POLICIES ISSUED BY ASSURED GUARANTY MUNICIPAL CORP.
THAT DID NOT MAKE OR WERE DEEMED NOT TO MAKE THE COMMUTATION
ELECTION AS PROVIDED IN SECTIONS 2.3(a) AND 4.7(a) OF THE PLAN¹

Holders of Series 2003-B-8 Sewer Warrants (CUSIP Numbers 472682MQ3, 472682MR1, and 472682MS9) in the aggregate principal amount of \$60,955,000, Series 2003-C-9 Sewer Warrants (CUSIP Number 472682NJ8) in the aggregate principal amount of \$7,650,000, and Series 2003-C-10 Sewer Warrants (CUSIP Number 472682NK5) in the aggregate principal amount of \$13,275,000 did not make or were deemed not to make the Commutation Election available to holders of Allowed Class 1-A Sewer Warrant Claims as provided in Sections 2.3(a) and 4.7(a) of the Plan. As a result, these certain holders of Sewer Warrants have retained Sewer Wrap Payment Rights,² if any, against Assured in respect of any Sewer Wrap Policies insuring the principal and interest that comes Due for Payment (as that term is defined in the respective Sewer Wrap Policy)³ on such holder's Sewer Warrants, and will be treated in accordance with Option 2 of Section 2.3(a) of the Plan. Summaries of outstanding principal (after giving effect to all Distributions contemplated by the Plan) and interest coming Due for Payment (as that term is defined in the respective Sewer Wrap Policy) for each series or subseries of non-commuted Sewer Warrants are set forth below.⁴

¹ Unless otherwise defined, capitalized terms in this section shall have the meaning given to them in the Plan. Nothing contained in this schedule is intended to or shall alter, modify, or revise the Plan in any respect. The terms of the Plan supersede and control over any conflicting or inconsistent provision of this schedule, and in the event of any conflict or inconsistency between the Plan and this schedule, the terms of the Plan shall be governing.

² In accordance with Sections 4.7(b) and 4.15(h) of the Plan, the Sewer Wrap Policies shall remain in full force and effect with respect to Sewer Wrap Payment Rights.

³ True and correct copies of the Sewer Wrap Policies issued by Assured insuring (subject to their terms and conditions) the Series 2003-B-8 Sewer Warrants, Series 2003-C-9 Sewer Warrants, and Series 2003-C-10 Sewer Warrants are attached hereto as collective **Exhibit A**.

⁴ To the extent that there is any inconsistency between the summary provided herein and the terms of the Sewer Warrant Indenture (as supplemented) with respect to the interest rate calculations set forth herein, the terms of the Sewer Warrant Indenture (as supplemented) with respect to the interest rate calculations set forth herein are

1. In accordance with Section 4.10(a) of the Plan, the schedule of principal (after giving effect to all Distributions contemplated by the Plan) and interest coming Due for Payment (as that term is defined in the respective Sewer Wrap Policy) on the Assured-insured Series 2003-B-8 Sewer Warrants is governed by the Sewer Warrant Indenture as supplemented by the Ninth Supplemental Indenture, dated as of April 1, 2003. The outstanding Series 2003-B-8 Sewer Warrants shall mature and become payable on the dates and in the amounts set forth below and bear interest from their respective dates payable on each February 1 and August 1 until maturity or earlier redemption at the per annum rates set forth below:

CUSIP Number	Interest Rate	Maturity Date	Principal Balance Before Plan Distribution	Principal Balance After Plan Distribution	Future Principal Payments
472682MQ3	5.250%	2/1/2014	\$17,935,000.00	\$6,277,250.00	Principal to be paid at maturity
472682MR1	5.250%	2/1/2015	\$18,695,000.00	\$6,543,250.00	Principal to be paid at maturity
472682MS9	5.250%	2/1/2016	\$24,325,000.00	\$8,513,750.00	Principal to be paid at maturity

controlling and shall govern. For the avoidance of doubt, the terms of this summary are controlling and shall govern with respect to the “Principal Sinking Fund Schedule After Plan Distribution” as set forth in sections 2 and 3 hereof.

2. In accordance with Section 4.10(a) of the Plan, the schedule of principal (after giving effect to all Distributions contemplated by the Plan) and interest coming Due for Payment (as that term is defined in the respective Sewer Wrap Policy) on the Assured-insured Series 2003-C-9 Sewer Warrants is governed by the Sewer Warrant Indenture as supplemented by the Tenth Supplemental Indenture, dated as of August 1, 2003 (the “*Tenth Supplement*”). Series 2003-C-9 Sewer Warrants currently bear interest at a varying auction rate as more specifically set forth on **Exhibit B** annexed to this Schedule. The outstanding Series 2003-C-9 Sewer Warrants shall mature and become payable in accordance with Article V of the Tenth Supplement in the years and principal amounts set forth below:

CUSIP Number	Interest Rate	Maturity Date	Principal Balance Before Plan Distribution	Principal Balance After Plan Distribution	Principal Sinking Fund Schedule After Plan Distribution
472682NJ8	Variable Auction Rate	2/1/2042	\$7,650,000.00	\$2,677,500.00	<u>Date</u> <u>Amount</u>
					2014 \$40,000.00
					2015 \$45,000.00
					2016 \$45,000.00
					2017 \$370,000.00
					2018 \$395,000.00
					2019 \$115,000.00
					2020 \$40,000.00
					2021 \$40,000.00
					2022 \$60,000.00
					2023 \$240,000.00
					2024 \$250,000.00
					2025 \$260,000.00
					2026 \$245,000.00
					2027 \$255,000.00
					2028 \$265,000.00
					2029 \$12,500.00

3. In accordance with Section 4.10(a) of the Plan, the schedule of principal (after giving effect to all Distributions contemplated by the Plan) and interest coming Due for Payment (as that term is defined in the respective Sewer Wrap Policy) on the Assured-insured Series 2003-C-10 Sewer Warrants is governed by the Sewer Warrant Indenture as supplemented by the Tenth Supplement. Series 2003-C-10 Sewer Warrants currently bear interest at a varying auction rate as more specifically set forth on **Exhibit B** annexed to this Schedule. The outstanding Series 2003-C-10 Sewer Warrants shall mature and become payable in accordance with Article V of the Tenth Supplement in the years and principal amounts set forth below:

CUSIP Number	Interest Rate	Maturity Date	Principal Balance Before Plan Distribution	Principal Balance After Plan Distribution	Principal Sinking Fund Schedule After Plan Distribution
472682NK5	Variable Auction Rate	2/1/2042	\$13,275,000.00	\$4,646,250.00	Date Amount
					2014 \$70,000.00
					2015 \$75,000.00
					2016 \$80,000.00
					2017 \$640,000.00
					2018 \$685,000.00
					2019 \$200,000.00
					2020 \$65,000.00
					2021 \$70,000.00
					2022 \$105,000.00
					2023 \$415,000.00
					2024 \$430,000.00
					2025 \$450,000.00
					2026 \$425,000.00
					2027 \$440,000.00
					2028 \$455,000.00
					2029 \$41,250.00

Exhibit A
Assured Sewer Wrap Policies



**FINANCIAL
SECURITY
ASSURANCE**

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Jefferson County, Alabama

Policy No.: 200777-N

BONDS: \$119,965,000 in aggregate principal amount of
Sewer Revenue Refunding Warrants, Series
2003-B-8 Warrants maturing on February 1 of
the years 2010 through 2016, inclusive

Effective Date: May 1, 2003

Premium: \$1,109,508.26

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby **UNCONDITIONALLY AND IRREVOCABLY** agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds for the benefit of the Owners or at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy, by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By



Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 500NY (5/90)



FINANCIAL SECURITY ASSURANCE

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Jefferson County, Alabama

Policy No. 26137-1-N

BONDS: \$232,025,000 in aggregate principal amount of
Sewer Revenue Refunding Warrants, consisting
of the following series: (i) \$116,000,000 Series
2003-C-9 and (ii) \$116,025,000 Series-C-10

Effective Date: August 7, 2003

Premium: \$3,852,937.16

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners on or at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent, or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appropriate coupon to the Bond, or right to receipt of payment of principal or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insureds Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Court for a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security, which notice shall specify: (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security, and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees, not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto: (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment or provision being made for payment of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE, INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE, INC.

Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022 (212) 826-0100

Form 500NY (5/90)

Exhibit B
Series 2003-C-9 and Series 2003-C-10 Interest Calculation¹

Glossary of Terms Used in Exhibit B:

“***After-Tax Equivalent Rate***” means, on any date of determination with respect to Auction Rate Warrants during an Auction Rate Period, the interest rate per annum equal to the product of (x) the Commercial Paper/Treasury Rate on such date and (y) 1.00 minus the Statutory Corporate Tax Rate on such date.

“***Agent Member***” means a member of, or participant in, the Securities Depository.

“***All Hold Rate***” means, on any date of determination with respect to Auction Rate Warrants, the rate per annum equal to 65% (as such percentage may be adjusted pursuant to Section 3.10 of the Tenth Supplement) of the lesser of (i) the Index on such date and (ii) the After-Tax Equivalent Rate on such date; provided, however, that in no event shall such All Hold Rate exceed the maximum rate, if any, permitted by applicable law.

“***Applicable Percentage***” means, on any date of determination, the percentage determined as set forth below (as such percentage may be adjusted, with the consent of the affected Bond Insurer, for Auction Rate Warrants pursuant to Section 3.10 of the Tenth Supplement) based on the prevailing long-term rating of the Auction Rate Warrants in effect at the close of business on the Business Day immediately preceding such date of determination:

<u>Prevailing Rating</u>	<u>Applicable Percentage</u>
AAA/Aaa	125%
AA/Aa	150%
A/A	200%
BBB/Baa	250%
Below BBB/Baa	275%

For purposes of this definition, the “prevailing long-term rating” of the Auction Rate Warrants will be (a) AAA/Aaa if the Auction Rate Warrants have a rating of AAA by S&P and a rating of Aaa by Moody’s or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (b) if not AAA/Aaa, then AA/Aa if the Auction Rate Warrants have a rating of AA- or better by S&P and a rating of Aa3 or better by Moody’s, or the

¹ To the extent that there is any inconsistency between the summary provided in this Exhibit and the Trust Indenture between the County and AmSouth Bank of Alabama (the “***Indenture***”) as supplemented by the Tenth Supplemental Indenture, dated as of August 1, 2003 (the “***Tenth Supplement***”), between the County and Sewer Warrant Trustee, the terms of the Indenture, as supplemented by the Tenth Supplement, are controlling and shall govern. Further, capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Indenture, as supplemented by through the Tenth Supplement.

equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (c) if not AAA/Aaa or AA/Aa, then A/A if the Auction Rate Warrants have a rating of A- or better by S&P and a rating of A3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, (d) if not AAA/Aaa, AA/Aa or A/A, then BBB/Baa if the Auction Rate Warrants have a rating of BBB- or better by S&P and a rating of Baa3 or better by Moody's, or the equivalent of such ratings by a substitute rating agency or agencies selected as provided below, and (e) if not AAA/Aaa, AA/Aa, A/A or BBB/Baa, then below BBB/Baa, whether or not the Auction Rate Warrants are rated by any securities rating agency.

If (x) the Auction Rate Warrants are rated by a rating agency or agencies other than Moody's or S&P and (y) the County has delivered to the Trustee and the Auction Agent an instrument designating one or two of such rating agencies to replace Moody's or S&P, or both, then for purposes of the definition of "prevailing rating" Moody's or S&P, or both, will be deemed to have been replaced in accordance with such instrument; provided, however, that such instrument must be accompanied by the consent of the Remarketing Agent. For purposes of this definition, S&P's rating categories of AAA, AA-, A- and BBB-, and Moody's rating categories of Aaa, Aa3, A3 and Baa3, refer to and include with respective rating categories correlative thereto in the event that either or both of such rating agencies have changed or modified their generic rating categories. If the prevailing ratings for the Series 2003-C Warrants are split between the categories set forth above, the lower rating will determine the prevailing rating.

"Auction Agent" means any entity appointed as such pursuant to Section 10.7 of the Tenth Supplement and its successors and assigns.

"Auction Procedures" means with respect to Auction Rate Warrants the procedures set forth in Sections 3.6 through 3.9 of the Tenth Supplement.

"Auction Rate Period" means any period during which Series 2003-C Warrants bear interest at an Auction Rate (as defined below) determined pursuant to the implementation of Auction Procedures established under Article III of the Tenth Supplement, which period shall commence on the effective date of a Change in the Interest Rate Mode to an Auction Rate (as defined below) and shall extend through the day immediately preceding the earlier of (a) the effective date of a Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date or (c) the Stated Maturity of the Series 2003-C Warrants.

"Auction Rate Warrants" means, with respect to an Auction Rate Period, any Series 2003-C Warrants or subseries of Series 2003-C Warrants which bear the Auction Rate determined pursuant to Article III of the Tenth Supplement.

"Bank Warrants" means any Series 2003-C Warrant or Warrants purchased by a Liquidity Provider (or any permitted assignee) pursuant to any Liquidity Facility (other than a surety bond or another instrument issued by a municipal bond or financial guarantee insurance company) for so long as it remains a Bank Warrant pursuant to such facility.

“Beneficial Owner” means, with respect to Auction Rate Warrants, a customer of a Broker-Dealer who is listed on the records of that Broker Dealer as a holder of the Auction Rate Warrants.

“Bond Insurer” means Financial Guaranty or FSA, as in the context may be appropriate.

“Broker Dealer” means any broker-dealer (as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures (i) that is an Agent Member (or an affiliate of an Agent Member), (ii) that has been selected by the Auction Agent with the consent of the Remarketing Agent, and (iii) that has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective.

“Broker-Dealer Agreement” means each agreement applicable to Auction Rate Warrants between a Broker-Dealer and the Auction Agent pursuant to which such Broker-Dealer, among other things, agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended and supplemented.

“Calculation Period” means (a) during any Commercial Paper Rate Period, the period from and including the effective date of the Change in the Interest Rate Mode to a Commercial Paper Rate Period to but not including any day not more than 270 days thereafter which is a day immediately preceding a Business Day established by the Remarketing Agent pursuant to Section 3.2 of the Tenth Supplement; (b) during any Daily Rate Period, the period from and including a Business Day to but not including the next succeeding Business Day; (c) during any Weekly Rate Period, initially the period from and including the effective date of the Change in the Interest Rate Mode to a Weekly Period to and including the following Wednesday (but not less than two days) and, thereafter, the period from and including the Thursday of each week to and including the following Wednesday; provided, however, that, if such Thursday is not a Business Day, the next succeeding Calculation Period shall begin on the Business Day next succeeding such Thursday and shall end on the day before the next succeeding Calculation Period; and (d) during any Term Rate Period, any period of not less than 270 days from and including a Business Day to and including any day (established by the County pursuant to Section 4.1(a) of the Tenth Supplement) not later than the day prior to the Stated Maturity of the Series 2003-C Warrants.

“Change in the Interest Rate Mode” means any change in the method of determining the interest rate borne by Series 2003-C Warrants pursuant to Section 4.1 or 4.2 of the Tenth Supplement.

“Code” means the Internal Revenue Code of 1986, as amended, or successor federal tax law at the time in force and effect.

“Commercial Paper Dealers” means J.P. Morgan Securities, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective affiliates or successors, provided that any such entity is a commercial paper dealer and, if not, as replaced by a Substitute Commercial Paper Dealer.

“Commercial Paper Rate” means, with respect to each Calculation Period during a Commercial Paper Rate Period, a rate of interest equal to the rate of interest per annum, established and certified to the Trustee (with a copy to the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of the first day of such Calculation Period as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such day to remarket the Series 2002-C Warrants in a secondary market transaction at a price equal to the principal amount thereof; provided that such rate of interest shall not exceed 10% per annum.

“Commercial Paper Rate Period” means any period of not more than 270 days during which Series 2002-C Warrants bear interest at one or more Commercial Paper Rates, which period shall commence on the effective date of a Change in the Interest Rate Mode to a Commercial Paper Rate mode and extend through the day immediately preceding the earliest of (a) the effective date of another Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date or (c) the Stated Maturity of Series 2002-C Warrants.

“Commercial Paper/Treasury Rate” means, on any date of determination with respect to Auction Rate Warrants, (i) in the case of any Auction Period of less than 49 days, the interest equivalent of the 30-day rate, (ii) in the case of any Auction Period of 49 days or more but less than 70 days, the interest equivalent of the 60-day rate, (iii) in the case of any Auction Period of 70 days or more but less than 85 days, the arithmetic average of the interest equivalent of the 60-day and 90-day rates, (iv) in the case of any Auction Period of 85 days or more but less than 99 days, the interest equivalent of the 90-day rate; (v) in the case of any Auction Period of 99 days or more but less than 120 days, the arithmetic average of the interest equivalent of the 90-day and 120-day rates, (vi) in the case of any Auction Period of 120 days or more but less than 141 days, the interest equivalent of the 120-day rate, (vii) in the case of any Auction Period of 141 days or more but less than 162 days, the arithmetic average of the interest equivalent of the 120-day and 180-day rates, (viii) in the case of any Auction period of 162 days or more but less than 183 days, the interest equivalent of the 180-day rate, and (ix) in the case of any Auction Period of 183 days or more, the Treasury Rate for such Auction Period. The foregoing rates shall in all cases, except with respect to the Treasury Rate, be rates on commercial paper placed on behalf of issuers whose corporate bonds are rated “AA” by S&P, or the equivalent of such rating by S&P, as made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or in the event that the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of such rates, as quoted on a discount basis or otherwise, by the Commercial Paper Dealers, to the Auction Agent for the close of business on the Business Day immediately preceding such date of determination.

If any Commercial Paper Dealer does not quote a commercial paper rate required to determine the Commercial Paper/Treasury Rate, the Commercial Paper/Treasury Rate shall be determined on the basis of a commercial paper quotation or quotations furnished by the remaining Commercial Paper Dealer or Dealers and any Substitute Commercial Paper Dealer or Dealers selected by the County to provide such quotation or quotations not being supplied by any Commercial Paper Dealer or Dealers, as the case may be, or if the County does not select any

such Substitute Commercial Paper Dealer or Dealers, by the remaining Commercial Paper Dealer or Dealers. For purposes of this definition, the “interest equivalent” of a rate stated on a discount basis (a “discount rate”) for commercial paper of a given day’s maturity shall be equal to the product of (A) 100 times (B) the quotient (rounded upwards to the next higher one-thousandth (.001) of 1%) of (x) the discount rate (expressed in decimals) divided by (y) the difference between (1) 1.00 and (2) a fraction the numerator of which shall be the product of the discount rate (expressed in decimals) times the number of days in which such commercial paper matures and the denominator of which shall be 360.

“**Daily Rate**” means, with respect to each Calculation Period during a Daily Rate Period, a rate of interest equal to the rate of interest per annum established and certified to the Trustee (with a copy to the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of the first day of such Calculation Period as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such day to remarket Series 2003-C Warrants in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest thereon; provided that such rate of interest shall not exceed 10% per annum.

“**Daily Rate Period**” means any period during which the Series 2003-C Warrants bear interest at a Daily Rate, which period shall commence on the effective date of the Change in the Interest Rate Mode to a Daily Rate and extend through the day immediately preceding the earlier of (a) the effective date of another Change in the Interest Rate Mode, (b) the Fixed Rate Conversion Date, and (c) the Stated Maturity of the Series 2003-C Warrants.

“**Existing Holders**” mean, with respect to Auction Rate Warrants, a Broker-Dealer that is listed as a holder of Auction Rate Warrants in the records of the Auction Agent.

“**Financial Guaranty**” means Financial Guaranty Insurance Company, or any successor thereto or assignee thereof.

“**Fixed Rate**” means, with respect to the Fixed Rate Conversion Date for any Series 2003-C Warrants, the rate of interest per annum established and certified to the Trustee (with a copy of the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of such date as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such date to remarket the Series 2003-C Warrants in a secondary market transaction at a price equal to the principal amount thereof; provided that such rate of interest shall not exceed 12% per annum.

“**Fixed Rate Conversion Date**” means the date on which the County exercises its Option to Convert the Series 2003-C Warrants from an Auction Rate (as defined below) to a Fixed Rate.

“**Fixed Rate Period**” means the period, if any, during which Series 2003-C Warrants bear interest at a Fixed Rate, which period shall commence on the Fixed Rate Conversion Date therefor and extend to the Stated Maturity therefor.

“**FSA**” means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

“**Index**” means (i) with respect to Auction Rate Warrants in any Auction Period of thirty-five (35) days or less, the One Month LIBOR Rate, and (ii) with respect to any Auction Rate Warrants in an Auction Period greater than thirty-five (35) days, the Treasury Rate for securities having a maturity which most closely approximates the length of the Auction Period. If either rate is unavailable, the Index for the Auction Rate Warrants shall be an index or rate agreed to by all Broker-Dealers and consented to by the County.

“**Interest Payment Date**” for any particular Series 2003-C Warrants, means:

- (a) for each Commercial Paper Rate Period, the Business Day immediately succeeding any Calculation Period, and for any Calculation Period of more than 180 days, also the Business Day immediately following the 180th day of such Calculation Period;
- (b) during an Auction Rate Period (i) for an Auction Period of 91 days or less, the Business Day immediately succeeding such Auction Period and (ii) for an Auction Period of more than 91 days, each 13th Thursday after the first day of such Auction Period and the Business Day immediately succeeding such Auction Period;
- (c) for each Daily Rate Period, the first Business Day of each month;
- (d) for each Weekly Rate Period, the first Business Day of each month;
- (e) for each Term Rate Period, (i) the first day of the sixth calendar month following the month in which the first day of such Term Rate Period occurred, (ii) each anniversary of the date so determined, (iii) each anniversary of the first day of the first month of such Term Rate Period, and (iv) the Business Day immediately succeeding such Term Rate Period;
- (f) for the Fixed Rate Period, the February 1 or August 1 next succeeding the Fixed Rate Conversion Date and each February 1 and August 1 thereafter, but if the February 1 or August 1 next succeeding the Fixed Rate Conversion Date occurs less than 21 days after the Fixed Rate Conversion Date, the first Interest Payment Date shall be the second such date following the Fixed Rate Conversion Date;
- (g) the Fixed Rate Conversion Date;
- (h) any day on which Series 2003-C Warrants are subject to mandatory tender for purchase pursuant to Section 5.3 or 5.4 of the Tenth Supplement or redemption pursuant to Section 5.1 of the Tenth Supplement;
- (i) the Stated Maturity of the Series 2003-C Warrants; and
- (j) with respect to Bank Warrants, the first Business Day of each month and the date on which such Bank Warrants are remarketed and cease to be Bank Warrants;

But if any such date, other than a date specified in clause (e), (f) or (i) above, determined in any of the foregoing clauses is not a Business Day, the Interest Payment Date shall be the next succeeding day which is a Business Day. If a date specified in clause (e), (f) or (i) above is not a Business Day, the Interest Payment Date shall be the next succeeding day which is a Business Day and the payment on such postponed Interest Payment Date shall include interest accrued only to the originally scheduled Interest Payment Date.

“Liquidity Facility” means any Initial Liquidity Facility and each Alternate Liquidity Facility.

“Liquidity Provider” means each provider of a Liquidity Facility.

“One Month LIBOR Rate” means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

“Potential Beneficial Owner” means, with respect to any Auction Rate Warrants, a customer of a Broker-Dealer that is not a Beneficial Owner of Auction Rate Warrants but that wishes to purchase Auction Rate Warrants, or that is a Beneficial Owner of Auction Rate Warrants that wishes to purchase an additional principal amount of Auction Rate Warrants.

“Potential Holder” means a Broker-Dealer that is not an Existing Holder or that is an Existing Holder that wishes to become an Existing Holder of an additional principal amount of Auction Rate Warrants.

“Remarketing Agent” means any remarketing agent or remarketing agents appointed pursuant to Section 10.5 of the Tenth Supplement, and its or their successors or assigns, including, without limitation, any “market agent” or “broker-dealer” appointed in connection with Auction Rate Warrants.

“Securities Depository” means The Depository Trust Company and its nominees, successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Series 2003-C Warrants or (ii) the County discontinues use of the then Securities Depository pursuant to Section 10.3 of the Tenth Supplement, any other securities depository (and its nominees), which agrees to follow the procedures required to be followed by a Securities Depository in connection with the Series 2002-C Warrants and which is selected by the County, with the consent of the Trustee, the Auction Agent and the Remarketing Agent.

“Standard Auction Period” initially means an Auction Period of thirty-five (35) days, and, after the establishment of a different Standard Auction Period pursuant to Section 3.4 of the Tenth Supplement, shall mean such different Standard Auction Period; provided that, so long as the Standard Auction Period is 35 days and ends initially on a Tuesday, in the event the last Tuesday of the Auction Period is not a Business Day, with the result that the Auction Date is the next succeeding Business Day, the Standard Auction Period following such Auction Date shall be

reduced to a shorter number of days so that the last day of the Auction Period following such Auction Date is the fifth Tuesday following such Auction Date.

“Stated Maturity” means, with respect to the Series 2003-C Warrants, February 1, 2042.

“Statutory Corporate Tax Rate” means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or thereafter applicable in each taxable year on the taxable income of every corporation as set forth in Section 11 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year, which as of the date of the Tenth Supplement was 35%. Any change in the Statutory Corporate Tax Rate shall be evidenced by a certificate of an Authorized County Representative and delivered to the Trustee.

“Substitute Commercial Paper Dealer” means Lehman Brothers Inc., or its affiliates or successors, if such person is a commercial paper dealer, provided that no such person nor any of its affiliates or successors shall be the same entity as the initial Commercial Paper Dealer.

“Substitute U.S. Government Securities Dealer” means the dealer or dealers in U.S. government securities specified by the County at any time when the initial U.S. Government Securities Dealer is unable or unwilling to perform in such capacity under the Tenth Supplement, provided that any such substitute shall be a dealer in U.S. government securities and shall not be the same entity as the initial U.S. Government Securities Dealer.

“Tender Agent” means The Bank of New York, in its separate capacity as Tender Agent for the Series 2002-C Warrants, or its successors or assigns in such capacity.

“Term Rate” means, with respect to each Calculation Period for a Term Rate Period, a rate of interest equal to the rate of interest per annum established and certified to the Trustee (with a copy to the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of the first day of such Calculation Period as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such day to remarket Series 2003-C Warrants in a secondary market transaction at a price equal to the principal amount thereof; provided that such rate of interest shall not exceed 12% per annum.

“Term Rate Period” means any period during which Series 2003-C Warrants bear interest at a Term Rate which period shall commence with the effective date of the Change in the Interest Rate Mode to a Term Rate and shall extend through the day immediately preceding the earlier of (a) the effective date of a succeeding Change in the Interest Rate Mode and (b) the Stated Maturity of the Series 2003-C Warrants.

“Treasury Rate” means, on any date, (i) the yield, calculated in accordance with prevailing industry convention, of the rate on the most recently auctioned direct obligations of the U.S. Government having a maturity at the time of issuance of 364 days or less with a remaining maturity closest to the length of the applicable Auction Period, as quoted in The Wall Street Journal on such date for the Business Day next preceding such date; or (ii) in the event that any

such rate is not published in The Wall Street Journal, then the bond equivalent yield, calculated in accordance with prevailing industry convention, as calculated by reference to the arithmetic average of the bid price quotations of the most recently auctioned direct obligation of the U.S. Government having a maturity at the time of issuance of 364 days or less with a remaining maturity closest to the length of such Auction Period, based on bid price quotations on such date obtained by the Auction Agent from at least three U.S. Government Securities Dealers. If any U.S. Government Securities Dealer does not quote a rate required to determine the Treasury Rate, the Treasury Rate shall be determined on the basis of the quotation or quotations furnished by the remaining U.S. Government Securities Dealer or Dealers and any Substitute U.S. Government Securities Dealer or Dealers selected by the County to provide such rate or rates not being supplied by any U.S. Government Securities Dealer or Dealers, as the case may be, or, if the County does not select any such Substitute U.S. Government Securities Dealer or Dealers, by the remaining U.S. Government Securities Dealer or Dealers.

“U.S. Government Securities Dealer” means J.P. Morgan Securities, Inc., or, in lieu thereof, its affiliates or successors, provided that any such entity is a U.S. Government securities dealer.

“Weekly Rate” means, with respect to each Calculation Period during a Weekly Rate Period, a rate of interest equal to the rate of interest per annum established and certified to the Trustee (with a copy to the County and the Tender Agent) by the Remarketing Agent no later than 9:30 a.m. (New York City time) on and as of the first day of such Calculation Period as the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary on and as of such day to remarket Series 2003-C Warrants in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest thereon; provided that such rate of interest shall not exceed 10% per annum.

“Weekly Rate Period” means any period during which Series 2003-C Warrants bear interest at a Weekly Rate, which period shall commence with the effective date of a Change in the Interest Rate Mode to the Weekly Rate and shall extend through the day immediately preceding the earlier of (a) the effective date of another Change in the Interest Rate Mode and (b) the Stated Maturity of the Series 2003-C Warrants.

Calculation of Interest:

The Series 2003-C-9 and Series 2003-C-10 Warrants (together, the **“Series 2003-C Warrants”**) are governed by the Tenth Supplemental Indenture between the County and the Sewer Warrant Trustee dated as of August 1, 2003 (the **“Tenth Supplement”**), and currently bear interest at a varying auction rate (the **“Auction Rate”**). While bearing interest at the Auction Rate, interest on the Series 2003-C Warrants is computed on the basis of a 360-day year for the number of days actually elapsed. The Auction Rate is set for periods of time beginning on an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date (the **“Auction Period”**).² Except when an Auction Period follows a payment default that has not been cured by the applicable Bond Insurer, for each Auction Period, the Auction Rate shall never exceed a rate (the **“Maximum Auction Rate”**) equal to the lesser of:

² Auction Periods may vary pursuant to the terms of the Tenth Supplement.

(i) Eighteen Percent (18%); and

(ii) except as otherwise set forth in the Tenth Supplemental Indenture,³ the interest rate per annum equal to the Applicable Percentage of the higher of (a) the interest rate per annum equal to the product of (1) the Commercial Paper/Treasury Rate on such date and (2) 1.00 minus the Statutory Corporate Tax Rate on such date and (b) the Index, as each is determined on such date with respect to a Standard Auction Period.

Subject to the Maximum Auction Rate, the Auction Rate is determined by the Auction Agent for each Auction Period pursuant to a multi-step process. First, on the last Wednesday of the immediately preceding Auction Period (the “**Auction Date**”):

(a) each Beneficial Owner of Auction Rate Warrants may submit to the Broker-Dealer the principal amount of Auction Rate Warrants such Beneficial Owner desires to: (1) hold without regard to the Auction Rate (each, a “**Hold Order**”); (2) sell if the Auction Rate is less than a specified rate per annum (each, a “**Bid**”); and/or (3) sell without regard to the Auction Rate (each, a “**Sell Order**”);

and

(b) one or more Broker-Dealers may contact Potential Beneficial Owners to determine the principal amount of Auction Rate Warrants each offers to purchase if the Auction Rate is not less than a specified rate per annum (each, a “**Bid**” and collectively with Holder Orders and Sell Orders, “**Orders**”).

Second, the Auction Agent shall assemble all valid Orders submitted or deemed submitted (each such Order a “**Submitted Hold Order**” or “**Submitted Bid**” or “**Submitted Sell Order**” as applicable, and collectively, “**Submitted Orders**”) and determine:

³ With respect to any change in an Auction Period and/or the Standard Auction Period pursuant to Section 3.4 of the Tenth Supplement, including any automatic reversion to a Standard Auction Period pursuant to Section 3.3 of the Tenth Supplement, the Maximum Auction Rate is equal to the lesser of: (i) 18% per annum; and (ii) the interest rate per annum equal to the highest of the Applicable Percentage of the higher of the After-Tax Equivalent Rate and the Index as each is determined on such date with respect to: (a) a Standard Auction Period; (b) the Auction Period which is proposed to be established; and (c) the Auction Period in effect immediately prior to such proposed change in the Auction Period. With respect to any Change in the Interest Rate Mode from an Auction Rate pursuant to Section 4.1 of the Tenth Supplement or any change from an Auction Rate to a Fixed Rate pursuant to Section 4.2 of the Tenth Supplement, the Maximum Auction Rate is equal to the lesser of: (i) 18% per annum; and (ii) the interest rate per annum equal to the higher of the Applicable Percentage of the higher of the After-Tax Equivalent Rate and the Index as each is determined on such date with respect to: (a) a Standard Auction Period; and (b) the Auction Period in effect immediately prior to such proposed change.

(a) the excess of the total principal amount of Outstanding Auction Rate Warrants over the aggregate principal amount of Outstanding Auction Rate Warrants subject to Submitted Hold Orders (such excess, the “**Available Auction Rate Warrants**”);

(b) from the Submitted Orders whether the aggregate principal amount of Outstanding Auction Rate Warrants subject to Submitted Bids by Potential Holders specifying one or more rates equal to or lower than the Maximum Auction Rate exceeds or is equal to the sum of: (1) the aggregate principal amount of Outstanding Auction Rate Warrants subject to Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Auction Rate; and (2) the aggregate principal amount of Outstanding Auction Rate Warrants subject to Submitted Sell Orders (such amount, the “**Sufficient Clearing Bids**”); and

(c) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids that would result in the purchase of Auction Rate Warrants in an amount not less than the amount of Available Auction Rate Warrants (the “**Winning Bid Rate**”).

Based upon the foregoing determinations, until the next Auction Date, the Auction Rate shall be: (a) the Winning Bid Rate, if Sufficient Clearing Bids exist; (b) the Maximum Auction Rate, if Sufficient Clearing Bids do not exist; or (c) the All Hold Rate, if all of the Series 2003-C Warrants are subject to Submitted Hold Orders.

If on any Auction Date, the Auction Agent shall fail to take any action necessary to determine, or takes any action which effectively prevents the determination of, the Auction Rate, the Auction Rate for the next Auction Period, which Auction Period shall be seven (7) days, shall equal the lesser of:

(i) Eighteen Percent (18%); and

(ii) the interest rate per annum equal to the Applicable Percentage of the higher of (a) the interest rate per annum equal to the product of (1) the Commercial Paper/Treasury Rate on such date and (2) 1.00 minus the Statutory Corporate Tax Rate on such date and (b) the Index, as each is determined on such date with respect to a Standard Auction Period.

Notwithstanding the foregoing, the Auction Rate for any Auction Period or remaining portion thereof following the occurrence of a payment default that is not cured by the applicable Bond Insurer shall be (as determined as of each Auction Date):

(i) in any Auction Period of thirty-five (35) days or less, Three Hundred Percent (300%) of the One Month LIBOR Rate; or

(ii) in any Auction Period greater than thirty-five (35) days, Three Hundred Percent (300%) of the Treasury Rate or securities having a maturity which most closely approximates the length of the Auction Period.

Notwithstanding the foregoing, in no event shall the Auction Rate exceed the maximum rate, if any, permitted by applicable law.