

**FORBEARANCE AGREEMENT AND RESERVATION OF RIGHTS**

(Standby Warrant Purchase Agreement – Bank of America, N.A.)

This Forbearance Agreement and Reservation of Rights (this “Forbearance Agreement”) in respect of the Standby Agreement referenced below is made as of the 31<sup>st</sup> day of March, 2008, by and among Jefferson County, Alabama, a political subdivision of the State of Alabama (“Issuer”), Bank of America, N.A., as liquidity provider (“Bank”), JPMorgan Chase Bank, as liquidity agent (“Liquidity Agent”), Financial Guaranty Insurance Company (“FGIC”), XL Capital Assurance Inc. (“XLCA”), and The Bank of New York, as Trustee (“Trustee”). Issuer, Bank, Liquidity Agent, FGIC, XLCA, and Trustee are each herein referred to sometimes as a “Party” and, collectively, as the “Parties.”

**W I T N E S S E T H:**

A. Issuer, Bank, Liquidity Agent, and Trustee are parties to that certain Standby Warrant Purchase Agreement dated as of October 1, 2002 (the “Standby Agreement”) relating to the Issuer’s Sewer Revenue Refunding Warrants, Series 2002-C-3 (the “Warrants”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Standby Agreement or the Indenture for the Warrants, as applicable.

B. Pursuant to the Standby Agreement, Bank owns certain Bank Warrants and has claims against Issuer for the payment of principal and interest with respect to the Bank Warrants.

C. The payment of the principal of and interest on the Warrants (including Bank Warrants) is insured by that certain Municipal Bond Insurance Policy No. CA00370A issued by XLCA in favor of the holders of the Warrants (the “Municipal Bond Insurance Policy”). XLCA, FGIC, and Financial Security Assurance Inc. (“FSA”) (collectively, the “Bond Insurers” and each a “Bond Insurer”) each have issued a Debt Service Reserve Fund Insurance Policy (each a “DSRF Insurance Policy,” and together with the Municipal Bond Insurance Policy, the “Bond Insurance Policies”) that relates to the Warrants.

D. Events of Default have occurred and are continuing under the Standby Agreement.

E. In addition to the liquidity provided by the Bank under the Standby Agreement, the Issuer has obtained liquidity from the other banks and financial institutions listed on Schedule 1 attached hereto (the “Other Liquidity Providers”) pursuant to the applicable Standby Warrant Purchase Agreements described on Schedule 1 (the “Other Standby Agreements”).

F. Issuer also has entered into the interest rate swap transactions listed on Schedule 2 (the “Swaps”) with the counterparties listed on such schedule (the “Swap Counterparties”).

G. The Other Liquidity Providers and the Swap Counterparties also have claims against Issuer under the Other Standby Agreements and the Swaps, as the case may be, and Issuer has commenced negotiations with Bank, the Other Liquidity Providers, the Swap Counterparties, and the Bond Insurers.

H. Issuer has asked Bank and Liquidity Agent to forbear from exercising certain rights, including without limitation, under the Standby Agreement, during the Forbearance Period (as such term is defined below) to afford Issuer the opportunity to explore possible workout solutions to propose to Bank, the Liquidity Agent, the Other Liquidity Providers, the Swap Counterparties, and the Bond Insurers.

I. Notwithstanding that no understanding or agreement with respect thereto has been reached among the Parties, Issuer, Bank, Liquidity Agent, XLCA, FGIC, and Trustee have agreed to enter into this Forbearance Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the agreements and undertakings contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. **Forbearance.** Subject to the terms and conditions hereof, during the period (the "Forbearance Period") from the execution hereof by the Parties until the occurrence of a Forbearance Period Termination Event (as such term is defined below), Bank and Liquidity Agent shall forbear from exercising, and from directing or otherwise taking any action to cause Trustee to exercise, any rights or remedies that Bank, Liquidity Agent, or Trustee has or may have, now or hereafter arising during the Forbearance Period, under or with respect to the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, other Related Documents or applicable law, as a result of any and all defaults and Events of Default existing under the Standby Agreement. Each of the following shall constitute a "Forbearance Period Termination Event": (a) April 15, 2008 at 5:00 p.m. prevailing Birmingham, Alabama time, (b) the occurrence of an Event of Insolvency in respect of Issuer under clauses (a), (b), (c), or (f) (as clause (f) relates to clause (a), (b) or (c)) of the definition of such term in the Standby Agreement, (c) the termination of the applicable forbearance period of any of the Other Forbearance Agreements (as such term is defined in Section 4 below), (d) the occurrence of an Insurer Event of Default or any default under any DSRF Insurance Policy, (e) the commencement by Issuer, any Bond Insurer, or other party of any action against Bank, Liquidity Agent, or Trustee or otherwise challenging the rights of Bank, Liquidity Agent, or Trustee under the Standby Agreement, the Bank Warrants, or other Related Documents or Bank's, Liquidity Agent's, or Trustee's actions or omissions in connection therewith, (f) Issuer's failure to make the April 1, 2008 payment of interest described in Section 2 below, (g) the commencement by Issuer or any Bond Insurer of any action asserting that any Bond Insurance Policy is not enforceable or does not constitute the legal, valid, and binding obligation of such Bond Insurer, (h) the amendment of any of the Other Forbearance Agreements without the prior written consent of Bank and Liquidity Agent, (i) the commencement by Issuer of a case under Chapter 9 of the United States Bankruptcy Code, (j) Trustee's declaration pursuant to the Indenture that the Parity Securities are all immediately due and payable, or (k) any breach by Issuer of its agreements or obligations under this Forbearance Agreement (each, a "Forbearance Period Termination Event"). Issuer hereby covenants to provide Bank and Liquidity Agent written notice of the occurrence of any Forbearance Period Termination Event described in (c), (e), (g), (h), or (j) above within one (1) business day following the occurrence thereof. Upon the occurrence of a Forbearance Period Termination Event, the Parties shall be restored to their original rights and positions as they existed under the Standby Agreement, the Bank Warrants,

the Bond Insurance Policies, other Related Documents and applicable law immediately prior to the execution of this Forbearance Agreement, and Bank and Liquidity Agent shall immediately be entitled to exercise any rights and remedies in respect of the above referenced Events of Default, the potential Events of Default referenced in Sections 2 and 3 below, and any other Events of Default that may have occurred or occur at any time.

2. **Payment of Interest.** On April 1, 2008, in partial payment of the amount of interest accrued on the Bank Warrants, Issuer shall pay to Bank from the Pledged Revenues interest on the Bank Warrants that has accrued at the Base Rate plus one percent (1.0%) per annum. Subject only to the forbearance in effect during the Forbearance Period, the acceptance of such partial payment of interest by Bank shall not constitute a waiver of Bank's rights under the Standby Agreement, the Bank Warrants, the Related Documents, and applicable law to the accrual and payment of interest in accordance with the terms of the Standby Agreement, the Related Documents, and the Bank Warrants. In accordance with the terms of the Standby Agreement, from January 24, 2008, the date of the first occurrence of any continuing Event of Default, interest on the Bank Warrants has accrued and will continue to accrue at the Default Rate, subject to the terms of this Forbearance Agreement. Issuer and XLCA acknowledge that all interest on the Warrants accrued through April 1, 2008 in excess of the amount payable on April 1, 2008 pursuant to this paragraph shall be due and payable in full by County upon expiration of the Forbearance Period. Bank, Liquidity Provider, and Trustee agree that until the expiration of the Forbearance Period, no additional Event of Default under the Standby Agreement will occur if Issuer does not pay interest on the Warrants accrued through April 1, 2008 in excess of the amount payable on April 1, 2008 pursuant to this Section 2. XLCA approves of the provisions of this Section 2 and acknowledges and confirms that all interest accrued and accruing on the Warrants is insured by the Municipal Bond Insurance Policy, subject, to the extent applicable, to the terms and conditions of the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto.

3. **Quarterly Principal.** Bank, Liquidity Agent and Trustee agree that until the expiration of the Forbearance Period no additional Event of Default under the Standby Agreement will occur if Issuer does not redeem the Bank Warrants under Section 3.02 of the Standby Agreement so as to enable Trustee to pay the first quarterly principal installment originally scheduled to be paid on the first Business Day of April 2008. Issuer and XLCA acknowledge that nothing herein is intended or shall be deemed to prejudice or otherwise alter Issuer's covenants and agreements in accordance with the provisions of Section 3.02 of the Standby Agreement and that such covenants and agreements of Issuer shall be fully enforceable upon the expiration of the Forbearance Period. XLCA approves of the provisions of this Section 3 and acknowledges and confirms that all quarterly principal installments payable by the Issuer in respect of the Bank Warrants are insured by the Municipal Bond Insurance Policy, subject, to the extent applicable, to the terms and conditions of the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto.

4. **Conditions Precedent.** The obligations of the Parties hereunder and the enforceability of the terms and conditions of this Forbearance Agreement against the Parties are

conditioned expressly upon the execution and delivery (a) by the Parties of this Forbearance Agreement, (b) of forbearance agreements (collectively, the "Other Forbearance Agreements"), (i) in substantially the same form and substance as this Forbearance Agreement (with no substantive differences in terms unless the same have been approved by the Bank), by and among Issuer, Liquidity Agent (if applicable), Trustee, each of the Other Liquidity Providers and each Bond Insurer that has issued a municipal bond insurance policy with respect to the series of warrants subject to the Other Standby Agreements, and (ii) in a form approved by the Bank that is substantially the same form and substance as this Forbearance Agreement (with no substantive differences in terms unless the same have been approved by the Bank), by and among Issuer and each of the Swap Counterparties. Copies of all Other Forbearance Agreements shall be provided to the Bank immediately upon their execution.

5. **Reservation of Rights.** This Forbearance Agreement shall constitute a forbearance only from the exercise of rights and remedies as set forth herein, and nothing contained in this Forbearance Agreement is intended as or shall constitute a waiver, release or alteration of any rights, remedies, claims, causes of action, or defenses by any Party under or in relation to the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, any and all documents related thereto, or at law or in equity, and subject to the terms of this Forbearance Agreement, the Parties each hereby expressly reserve all such rights, remedies, claims, causes of action, and defenses that they have or may have against the other Parties and against any other Person under the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, any and all documents related thereto, or at law or in equity. Nothing contained in this Forbearance Agreement is intended as or shall constitute an admission of liability on the part of any Party, nor shall anything contained herein or the forbearance provided for herein enhance, prejudice, or otherwise alter in any manner any Party's rights, remedies, claims, causes of action, or defenses against any other Party or Person. Nothing contained in this Forbearance Agreement shall be deemed to waive any existing defaults. No failure to exercise or delay in exercising any right or power by any Party shall preclude any other or further exercise thereof or the exercise of any other right or power by such Party. Each Party acknowledges that the other Parties have made no representations (other than those set forth in the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto) as to what actions, if any, the other Parties will take after the Forbearance Period. Nothing contained herein, nor in any negotiations or any other actions undertaken pursuant to this Forbearance Agreement, shall be deemed to constitute an election of remedies.

6. **No Third Parties Benefited.** This Forbearance Agreement is made and entered into for the sole protection and benefit of the Parties hereto and their successors and assigns, including any purchaser of a Party's interest, and no other Person shall be a direct or indirect beneficiary of, or have any direct or indirect cause of action, claim, right, remedy, or defense arising from, this Forbearance Agreement or any of the matters described herein.

7. **Scope of Agreement.** This Forbearance Agreement does not constitute a waiver, amendment, or modification of the Standby Agreement (except as expressly set forth in the penultimate sentence of Section 2 and the first sentence of Section 3 of this Forbearance Agreement), the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and

the terms and conditions of the Standby Agreement (as modified by the penultimate sentence of Section 2 and the first sentence of Section 3 of this Forbearance Agreement), the Bank Warrants, the Bond Insurance Policies, and all Related Documents shall remain in full force and effect. The Trustee is a party to this Forbearance Agreement for the sole and limited purpose of indicating its consent to the extent that the penultimate sentence of Section 2 and the first sentence of Section 3 of this Forbearance Agreement constitute amendments to the Standby Agreement requiring its consent. For the avoidance of doubt, the Parties agree the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreement as provided in the penultimate sentence of Section 2 and the first sentence of Section 3 of this Forbearance Agreement) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document. This Forbearance Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. The terms of this Forbearance Agreement may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the Party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted.

8. **Representations and Agreements of the Issuer.** (a) Issuer has not (i) directly or indirectly offered or provided any consideration or inducement of any kind or nature to any Other Liquidity Provider or any Swap Counterparty in order to induce such party to agree to or enter into any agreement with respect to a forbearance period which was not provided to Bank under this Forbearance Agreement or (ii) delivered any collateral or termination payment to any Swap Counterparty during the period from January 24, 2008 to the date hereof.

(b) The execution, delivery and performance of this Forbearance Agreement by Issuer has been duly authorized by all applicable procedures, and does not contravene or constitute a default under any statute, regulation or rule of any governmental authority or under any provision of Issuer's organizational documents or any contractual restriction binding on Issuer (including any agreement between the Issuer and any Bond Insurer) or require any authorization, consent, approval, exemption or license from, or any filing of registration with any governmental authority that has not been obtained.

(c) During the Forbearance Period, (i) in respect of any workout proposal, Issuer shall promptly provide to Bank all information that is provided to Liquidity Agent, any Other Liquidity Provider and/or to any Swap Counterparty, and (ii) Issuer's professional advisors will make reasonable efforts to arrange and conduct weekly conference calls with Liquidity Agent, Bank and the Other Liquidity Providers and their respective professional advisors at mutually convenient times to provide the Parties with updates of Issuer's progress toward developing a workout proposal to submit to Liquidity Agent, Bank and the Other Liquidity Providers.

(d) Issuer represents that the Other Standby Agreements, together with the Standby Agreement, are all the standby purchase agreements entered into by Issuer related to the Warrants that remain outstanding and in effect.

9. **Representations of Undersigned Bond Insurers.** The execution, delivery and performance of this Forbearance Agreement by each undersigned Bond Insurer does not contravene or constitute a default under any statute, regulation or rule of any governmental authority or under any provision of the respective Bond Insurer's organizational documents or any contractual restriction binding on such Bond Insurer (including any agreement between such Bond Insurer and any reinsurer) or require any authorization, consent, approval, exemption or license from, or any filing of registration by any officers or other internal authorities of such Bond Insurer or with any governmental authority that has not been obtained. XLCA hereby ratifies and confirms the Municipal Bond Insurance Policy and its insurance, in accordance with the terms thereof, of all payments of principal and interest on the Bank Warrants, subject, to the extent applicable, to the terms and conditions of the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto. Each undersigned Bond Insurer hereby ratifies and confirms the DSRF Insurance Policy issued by it, subject, to the extent applicable, to the terms and conditions of the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto. Without limiting the generality of the foregoing, as between each undersigned Bond Insurer, on the one hand, and Bank, Liquidity Agent and Trustee, on the other, neither the execution and delivery of this Forbearance Agreement, nor performance hereunder, shall alter in any way (a) the rights of Bank, Liquidity Agent or Trustee, or the obligations of any undersigned Bond Insurer, under each Bond Insurance Policy, nor constitute a defense to payment or release under any Bond Insurance Policy, and each undersigned Bond Insurer expressly waives the benefit of any rule of law or provision of any Related Document that would provide otherwise and (b) the rights and/or defenses of any undersigned Bond Insurer, as such rights and/or defenses existed prior to the execution of this Forbearance Agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

10. **Governing Law.** This Forbearance 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.

11. **Counterparts.** This Forbearance Agreement may be executed in multiple counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same agreement among the Parties. Delivery of a counterpart hereof, or an executed signature hereto, by facsimile or by e-mail (in pdf or similar format) shall be effective as delivery of a manually-executed counterpart hereof.

12. **Due Authorization; Integration.** Each Party hereto represents and warrants that it has taken all necessary corporate or other applicable action to duly authorize its execution and delivery of this Forbearance Agreement. This Forbearance Agreement (and any documents referred to herein) contains the whole agreement among the Parties relating to the subject matter of this Forbearance Agreement and supersedes all previous understandings and agreements among the Parties relating thereto. Each Party acknowledges that, in agreeing to enter into this Forbearance Agreement, it has not relied on any representation or warranty (except those set forth in this Forbearance Agreement) made by or on behalf of any other Party or any other Person whatsoever before the execution of this Forbearance Agreement; provided, however, that

the Parties have relied on, and nothing in this Section 12 shall alter in any way, the provisions of the Standby Agreement, the Bank Warrants, each Bond Insurance Policy, the other Related Documents, and any and all documents related thereto.

13. **Captions.** The captions to the sections and paragraphs of the Forbearance Agreement are for the convenience of the Parties only, and are not a part of this Forbearance Agreement.

14. **Construction.** In the event of a conflict between the terms of this Forbearance Agreement and the Related Documents, this Forbearance Agreement shall prevail.

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IN WITNESS WHEREOF, the Parties have hereunto set their hands effective as of the date first above written.

**ISSUER:**

**JEFFERSON COUNTY, ALABAMA**

By: Jim Cannon

As its: President Co Term

**LIQUIDITY AGENT:**

**JPMORGAN CHASE BANK**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**BANK:**

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**TRUSTEE:**

**THE BANK OF NEW YORK**

By: \_\_\_\_\_

As its: \_\_\_\_\_



FROM

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IN WITNESS WHEREOF, the Parties have hereunto set their hands effective as of the date first above written.

**ISSUER:**

**JEFFERSON COUNTY, ALABAMA**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**LIQUIDITY AGENT:**

**JPMORGAN CHASE BANK**

By: William A. Austin

As its: EXEC DIRECTOR

**BANK:**

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**TRUSTEE:**

**THE BANK OF NEW YORK**

By: \_\_\_\_\_

As its: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have hereunto set their hands effective as of the date first above written.

**ISSUER:**

**JEFFERSON COUNTY, ALABAMA**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**LIQUIDITY AGENT:**

**JPMORGAN CHASE BANK**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**BANK:**

**BANK OF AMERICA, N.A.**

By:  \_\_\_\_\_

As its: Senior Vice President \_\_\_\_\_

**TRUSTEE:**

**THE BANK OF NEW YORK**

By: \_\_\_\_\_

As its: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have hereunto set their hands effective as of the date first above written.

**ISSUER:**

**JEFFERSON COUNTY, ALABAMA**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**LIQUIDITY AGENT:**

**JPMORGAN CHASE BANK**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**BANK:**

**BANK OF AMERICA, N.A.**

By: \_\_\_\_\_

As its: \_\_\_\_\_

**TRUSTEE:**

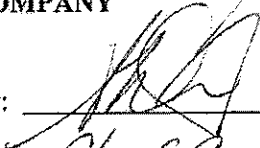
**THE BANK OF NEW YORK**

By:           *Will Smith*          

As its:           *Vice President*

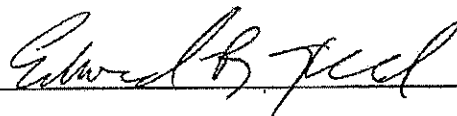
**BOND INSURER:**

**FINANCIAL GUARANTY INSURANCE  
COMPANY**

By:  \_\_\_\_\_

As its: Chief Credit Officer

**XL CAPITAL ASSURANCE INC.**

By:  \_\_\_\_\_

As its: President and Chief Operating Officer

## SCHEDULE 1

### **(Standby Warrant Purchase Agreements)**

1. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee and JPMorgan Chase Bank, dated as of February 1, 2002, relating to \$110,000,000 Jefferson County, Alabama Sewer Revenue Capital Improvement Warrants Series 2002-A.
  
2. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and JPMorgan Chase Bank, dated as of October 1, 2002, relating to \$73,700,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-2.
  
3. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and The Bank of Nova Scotia acting through its New York Agency, dated as of October 1, 2002, relating to \$73,700,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-4.
  
4. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and Societe Generale, New York Branch, dated as of October 1, 2002, relating to \$147,600,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-6.

5. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and Regions Bank, dated as of October 1, 2002, relating to \$49,100,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-7.
6. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and Societe Generale, New York Branch, dated as of May 1, 2003, relating to \$55,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-2.
7. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and The Bank of New York, as Liquidity Provider, dated as of May 1, 2003, relating to \$25,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-3 and \$25,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-4.
8. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and State Street Bank and Trust Company, as Liquidity Provider, dated as of May 1, 2003, relating to \$75,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-5 and \$15,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-6.

9. Standby Warrant Purchase Agreement among Jefferson County, Alabama, The Bank of New York, as Trustee, JPMorgan Chase Bank, as Liquidity Agent and Lloyds TBS Bank, PLC, acting through its New York Branch, dated as of May 1, 2003, relating to \$105,000,000 Jefferson County, Alabama Sewer Revenue refunding Warrants Series 2003-B-7.

## SCHEDULE 2

### (Swaps)

1. ISDA Master Agreement dated as of May 1, 2004, between Bear Stearns Capital Markets Inc. and Jefferson County, Alabama, as further amended and supplemented through the date hereof, including by the Schedule thereto dated as of May 1, 2004, and Confirmations each dated June 10, 2004 bearing reference numbers CXNE135464, CXNE135465 and CXNE135466, respectively.
2. ISDA Master Agreement dated as of October 18, 2002 between Bank of America, N.A. and Jefferson County, Alabama, as further amended and supplemented through the date hereof, including by the Schedule thereto dated as of October 18, 2002, and Confirmations dated November 1, 2002, July 15, 2003 and June 10, 2004, respectively, bearing reference numbers 464992, 3102346 and 3102345, and 3603194, respectively.
3. ISDA Master Agreement dated as of January 1, 2001 between JPMorgan Chase Bank (f/k/a The Chase Manhattan Bank) and Jefferson County, Alabama, as further amended and supplemented through the date hereof, including by the Schedule thereto dated as of January 1, 2001, and Confirmations dated January 10, 2001, January 10, 2001, September 18, 2001, October 23, 2002, March 28, 2003, and July 14, 2003, respectively, bearing reference numbers 470385, 470392, A444782, 8958034, 700157 and 7001880, respectively.
4. ISDA Master Agreement dated as of October 23, 2002 between Lehman Brothers Special Financing Inc. and Jefferson County, Alabama, as further amended and supplemented through the date hereof, including by the Schedule thereto dated as of October 23, 2002, and Confirmation dated October 23, 2002, bearing reference number 413183L.