

# J.P.Morgan

August 18, 2009

Jefferson County, Alabama  
County Courthouse  
716 Richard Arrington Boulevard  
Birmingham, Alabama 35203  
Attn: President of County Commission

Re: Standby Warrant Purchase Agreement/Series 2001-B

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of July 1, 2001, among Jefferson County, Alabama (the "County"), The Bank of New York Mellon (formerly The Bank of New York), as Trustee (the "Trustee"), JPMorgan Chase Bank (successor by merger with Morgan Guaranty Trust Company of New York, ("JPMorgan"), Bayerische Landesbank (f.k.a. Bayerische Landesbank Girozentrale), acting through its New York Branch ("Bayerische"; together with JPMorgan, the "Banks"), and JPMorgan, as liquidity agent (in such capacity, the "Liquidity Agent") relating to \$120,000,000 Jefferson County, Alabama General Obligation Warrants Series 2001-B (as amended from time to time, the "Standby Agreement"); and (b) the forbearance letters from the Banks to the County, dated September 15, 2008, September 30, 2008, October 7, 2008, October 30, 2008, January 14, 2009 and March 12, 2009 relating to the Standby Agreement (collectively, the "Forbearance Letter"). Unless otherwise defined, capitalized terms are used herein as defined in the Standby Agreement or the Forbearance Letter.

As you know, pursuant to the Forbearance Letter, the County acknowledged that an Event of Default has occurred and is continuing under Section 8.01(l) of the Standby Agreement and, pursuant to Section 2.08(b) of the Standby Agreement, as of July 31, 2008 interest has accrued and continues to accrue at the Default Rate on the Bank Warrants.

Pursuant to the Standby Agreement, the Banks purchased on March 13, 2008 Warrants in the aggregate principal amount of \$118,740,000.00. Pursuant to Section 3.02 of the Standby Agreement, the County is obligated to redeem said amount of the Bank

Warrants in six equal semi-annual principal installments from the dates upon which such Warrants were purchased by the Banks. The first such principal installment in respect of such purchased Bank Warrants, in the amount of \$9,895,000 to each Bank, was due and payable on September 15, 2008. The second such principal installment in respect of such purchased Bank Warrants, in the amount of \$9,895,000 to each Bank, was due and payable on March 15, 2009.

As you know, a payment Event of Default occurred eleven months ago and is continuing under Section 8.01(a) of the Standby Agreement as a result of the failure by the County to make the principal installment payment due to each Bank on September 15, 2008.

As you know, an additional payment Event of Default occurred five months ago and is continuing under Section 8.01(a) of the Standby Agreement as a result of the failure by the County to make the \$9,895,000 principal installment payment due to each Bank on March 15, 2009.

Pursuant to the Forbearance Letter, (i) on October 31, 2008, the County paid to the Trustee for further distribution to each Bank a partial principal payment on the Bank Warrants in the amount of \$5,000,000 in respect of the principal installment in the amount of \$9,895,000 that was due and payable to each Bank on September 15, 2008 and (ii) on January 15, 2009, the County paid to the Trustee for further distribution to each Bank a partial principal payment on the Bank Warrants in the amount of \$2,500,000 in respect of the principal installment in the amount of \$9,895,000 that was due and payable to each Bank on September 15, 2008. The Forbearance Letter provides that the acceptance of such partial principal payments shall not constitute a waiver of any Event of Default or the Banks' rights under the Standby Agreement, the Bank Warrants, the Related Documents, and applicable law to the payment of principal installments in accordance with the terms of the Standby Agreement, the Bank Warrants, and the Related Documents.

Pursuant to the Forbearance Letter, the Banks stated that notwithstanding the occurrence and continuance of the above referenced Events of Default, but without prejudice to the right of each Bank (acting individually or jointly) to exercise any of its rights and remedies at any time in the exercise of its sole discretion, neither Bank intended to exercise any such rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on June 20, 2009.

The County has again requested that the Banks and the Liquidity Agent agree not to exercise their rights and remedies under the Standby Agreement and the Related Documents in respect of the above referenced Events of Default. The Banks and the Liquidity Agent are willing to proceed on the terms set forth in this letter.

On September 1, 2009, in partial payment of the amount of interest accrued on the Bank Warrants, the County shall pay to the Trustee for further distribution to each Bank

an amount sufficient to permit the payment of interest on the Bank Warrants held by such Bank that has accrued at the applicable Bank Rate. The acceptance of such partial payment of interest calculated at the Bank Rate, rather than at the Default Rate that became applicable to the Bank Warrants upon the occurrence of the above referenced Event of Default under Section 8.01(l) of the Standby Agreement, shall not constitute a waiver of any such Event of Default or the Banks' rights under the Standby Agreement, the Bank Warrants, the Related Documents, and applicable law to the accrual and payment of interest at the Default Rate in accordance with the terms of the Standby Agreement, the Bank Warrants, and the Related Documents.

Notwithstanding the occurrence and continuance of the above referenced Events of Default, but without prejudice to the right of each Bank (acting individually or jointly) to exercise any of its rights and remedies at any time in the exercise of its sole discretion, including without limitation, to demand payment of all accrued and unpaid Default Interest, it is not the current intent of either Bank to exercise any such rights and remedies in respect of the above referenced Events of Default prior to the earlier of (i) 5:00 p.m. (prevailing Birmingham, Alabama time) on September 14, 2009 or (ii) the date of any failure by the County to make the partial interest payment on the Bank Warrants as described in the immediately preceding paragraph.

Please note that nothing contained in this letter is intended as or shall constitute an alteration, waiver or release of any rights, remedies, claims, causes of action, or defenses of the Banks or the Liquidity Agent in relation to the Standby Agreement, the Bank Warrants, the other Related Documents, any and all documents related thereto, or at law or in equity, and all such rights, remedies, claims, causes of action, and defenses are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein enhance, prejudice, or otherwise alter in any manner any party's rights, remedies, claims, causes of action, or defenses. Nothing contained in this letter shall be deemed to waive any existing Events of Default, or relieve or release the County from any of its obligations under the Standby Agreement, the Bank Warrants, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. This letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, and all Related Documents shall remain in full force and effect. No failure to exercise or delay in exercising any right or power shall preclude any other or further exercise thereof, and nothing contained herein shall be deemed to constitute an election of remedies.

Please further note that we have requested that the Trustee execute this letter for the sole and limited purpose of indicating its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document and has not agreed to waive any of its rights under the Indenture or to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

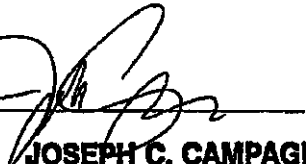
This letter shall take effect only upon execution and return to us of counterparts of this letter executed by the County and the Trustee.

Sincerely,

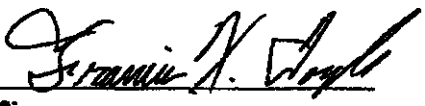
JPMORGAN CHASE BANK, N.A.

By: William A. Austin  
Title: **EXECUTIVE DIRECTOR**

BAYERISCHE LANDESBANK (f.k.a.  
Bayerische Landesbank Girozentrale), New  
York Branch

By:   
Title: **JOSEPH C. CAMPAGNA**  
**SENIOR VICE PRESIDENT**

BAYERISCHE LANDESBANK (f.k.a.  
Bayerische Landesbank Girozentrale), New  
York Branch

By:   
Title: **FRANCIS X. DOYLE**  
**VICE PRESIDENT**

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: *Betty Jane Collins*  
Title:

THE BANK OF NEW YORK MELLON,  
formerly The BANK OF NEW YORK, as Trustee

By: Larry S. Bush, V.P.  
Title: Vice President