JEFFERSON COUNTY, ALABAMA
LIMITED OBLIGATION SCHOOL WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
February 15, 2013

The following information is provided by Jefferson County, Alabama (the "County") pursuant to certain Continuing Disclosure Agreements executed and delivered by the County in connection with the issuance of the warrants set forth on the attached Schedule A, in compliance with Securities and Exchange Commission Rule 15c2-12.

Modification of Rights

The County has entered into a Plan Support Agreement dated as of February 11, 2013 (the "Plan Support Agreement") between the County and Depfa Bank PLC, as holder of the entire outstanding principal amount of the County's Limited Obligation School Warrants, Series 2005-B. A copy of the executed Plan Support Agreement is attached to this Notice.

SCHEDULE A

Limited Obligation School Warrants

Series 2004-A

Maturity	CUSIP
1/1/2014	472653AH7
1/1/2015	472653AJ3
1/1/2016	472653AK0
1/1/2017	472653AL8
1/1/2018	472653AM6
1/1/2019	472653AN4
1/1/2020	472653AP9
1/1/2021	472653AQ7
1/1/2022	472653AR5
1/1/2023	472653AS3
1/1/2024	472653AT1
1/1/2025	472653AU8

Series 2005-A

Maturity	CUSIP	Subseries
1/1/2027	472653BA1	2005-A-1
1/1/2027	472653BB9	2005-A-2
1/1/2027	472653BC7	2005-A-3
1/1/2027	472653BD5	2005-A-4

Series 2005-B

Maturity	CUSIP
1/1/2027	472653BE3

PLAN SUPPORT AGREEMENT

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF ANY CHAPTER 9 PLAN; ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT APPROVES A DISCLOSURE STATEMENT

This PLAN SUPPORT AGREEMENT (as it may be amended and supplemented from time to time, the "Agreement"), dated as of February 11, 2013, is made and entered into by and between Jefferson County, Alabama (the "County"), on the one hand, and Depfa Bank PLC ("Depfa"), on the other hand (each a "Party" and together, the "Parties").

RECITALS

WHEREAS, the County and Depfa are parties to that certain *Standby Warrant Purchase Agreement* dated as of January 1, 2005 (the "Standby Agreement");

WHEREAS, in connection with the performance of obligations under the Standby Agreement, Depfa has acquired and presently holds Limited Obligation School Warrants, Series 2005-B with an outstanding principal balance of $162,475,000 as of the date of this Agreement (the "School Warrants"), which School Warrants were issued under that certain *Trust Indenture* dated as of December 1, 2004 (the "Indenture"), as subsequently supplemented by that certain *First Supplemental Indenture* dated as of January 1, 2005 (the "First Supplemental Indenture");

WHEREAS, the Standby Agreement provides that interest will accrue on the School Warrants at a "Bank Rate" of interest equal to (A) the "Base Rate" plus 2.00%, or (B) from the earlier of (i) the date any amounts owed by the County under the Standby Agreement are not paid and (ii) the occurrence of an event of default, the "Base Rate" plus 3.00% (the "Standby Rate");

WHEREAS, on November 9, 2011, the County filed a voluntary petition for relief under chapter 9 of title 11 of the United States Code (the "Bankruptcy Code"), thereby commencing Bankruptcy Case No. 11-05736-TBB9 (the "Bankruptcy Case") before the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court");

WHEREAS, Depfa contends that certain prepetition defaults occurred under the Standby Agreement or the Indenture, and the County disputes such contentions;

WHEREAS, the Indenture Trustee (as defined below) notified the County of certain prepetition Events of Default under the Indenture in 2009, and the County disputes such contentions;

WHEREAS, the County contends that the Standby Rate is an improper rate of interest on the School Warrants under various provisions of the Bankruptcy Code, and Depfa disputes such contentions;

WHEREAS, the County has transferred $21,294,939.38 (the "Early Redemption Amount") to U.S. Bank National Association, a national banking association, as successor to SouthTrust Bank and Wachovia Bank, National Association, in its capacity as indenture trustee under the Indenture and the First Supplemental Indenture (the "Indenture Trustee") for purposes of making mandatory redemption payments on account of either the School Warrants or the Limited Obligation School Warrants, Series 2005-A (the "Series 2005-A Warrants") on or around March 1, 2013, pursuant to Section 9.1 of the Indenture (as modified by Section 1.5 of the First Supplemental Indenture) and Section 2.1(f) of the First Supplemental Indenture; and

WHEREAS, the Parties and their counsel have engaged in good faith, arms' length settlement discussions regarding a consensual resolution of certain disputes among them and have reached agreement concerning, among other matters, the potential treatment of claims arising from the School Warrants in a chapter 9 plan of adjustment for the County and the disposition of the Early Redemption Amount.

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

AGREEMENT

Section 1. Disposition of the Early Redemption Amount.

(a) The County agrees to direct the Indenture Trustee to utilize the Early Redemption Amount to make mandatory redemptions of the School Warrants in March 2013, and not to take any action to interfere with such mandatory redemption by seeking to interpose the automatic stays of Bankruptcy Code sections 362(a) and 922(a) to such utilization.

(b) The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any portion of the Early Redemption Amount against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

Section 2. Disposition of Certain Future Tax Proceeds During the Chapter 9 Case.

(a) If future excess tax proceeds available for mandatory redemptions under the Indenture and the First Supplemental Indenture ("Future Tax Proceeds") are collected during the pendency of the Bankruptcy Case, the County agrees to direct the Indenture Trustee to utilize such Future Tax Proceeds to make mandatory redemptions of the School Warrants on the next applicable redemption date.

(b) The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any portion of Future Tax Proceeds utilized for mandatory redemptions during the pendency of the Bankruptcy Case against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

Section 3. Agreed Terms of an Acceptable Plan.

The County shall propose an Acceptable Plan (as defined below), and Depfa agrees that, so long as it is the legal or beneficial owner of any School Warrants and has been properly solicited pursuant to Bankruptcy Code sections 1125 and 1126, it shall timely vote or cause to be voted (i) any and all claims arising from or in connection with such School Warrants, and (ii) any and all claims arising from or in connection with the Standby Agreement (and not revoke, modify, or withdraw that vote) to accept a chapter 9 plan that includes the following provisions (an "Acceptable Plan"):

(a) A single class will be separately classified and include (i) any and all claims arising from or in connection with the School Warrants, and (ii) any and all claims arising from or in connection with the Standby Agreement (the "Separate Class").

(b) Commencing on the plan's "Effective Date" and except as otherwise provided in the plan, each holder of claims in the Separate Class will on account of such holder's claim retain such holder's preexisting numbered School Warrants, which will be repaid on the terms and conditions set forth in the Standby Agreement, the Indenture, and the First Supplemental Indenture, in each case as modified by the plan in accordance with the terms hereof.

(c) Pursuant to Bankruptcy Code section 1123(a)(5)(F), the Standby Agreement will be modified in the following respects:

(i) Effective as of August 31, 2013, the "Bank Rate" shall be defined to mean the Prime Rate plus 2.25% (the "New Bank Rate").

(ii) All Events of Default under the Standby Agreement (including cross-defaults) that occurred prior to or that were continuing on February 11, 2013, shall be deemed waived and of no further force or effect, without any requirement that the County take any action to cure or otherwise eliminate any such Event of Default. For the avoidance of doubt, and except as otherwise provided in Section 3(c)(iii) of this Agreement, the fact that an Event of Default existed at any time prior to, or at the time of, the effective date of this Agreement shall not give rise to any argument or claim that any future occurrence or re-occurrence of such type of Event of Default has been excused or waived (prospectively or otherwise) under the preceding sentence.

(iii) All Events of Default that could result under the Standby Agreement (including cross-defaults) due to the occurrence of any of the following events during the period between February 11, 2013 and the plan's "Effective Date" shall be deemed waived and of no further force or effect:

(a) the pendency of the Bankruptcy Case, (b) the pendency of a proceeding regarding the "Segregated Account" of Ambac Assurance Corporation ("Ambac") in Wisconsin state court and the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.; and (c) the County's retention of $3,756,625.75 (the "Retained Amount") in the Jefferson County Limited Obligation Warrant Revenue Account during the pendency of the Bankruptcy Case notwithstanding any contrary provision of the Indenture or the First Supplemental Indenture. In addition, all Events of Default that could result under the Standby Agreement (including cross-defaults) due to the occurrence of any of the following events during the period after the plan's "Effective Date" shall be deemed waived and of no further force or effect: (a) the pendency of a proceeding regarding the "Segregated Account" of Ambac in Wisconsin state court and (b) the pendency of a chapter 11 bankruptcy case regarding Ambac Financial Group Inc.

(d) Provided that no Events of Default (other than those waived pursuant to the provisions described in Section 3(c)(ii)-(iii) above) occur under the Standby Agreement, the Indenture, or the First Supplemental Indenture after February 11, 2013, each holder of claims in the Separate Class shall irrevocably waive and release any claim or right to receive interest at a rate higher than the New Bank Rate for any period beginning on or after August 31, 2013, either from the County or from Ambac, including, without limitation, under Ambac's Financial Guaranty Insurance Policy number 23545BE (the "Policy"). For the avoidance of doubt, if any Events of Default (other than those waived pursuant to the provisions described in Section 3(c)(ii)-(iii) above) occur under the Standby Agreement, the Indenture, or the First Supplemental Indenture after February 11, 2013, the holders of claims in the Separate Class will not be deemed to have waived any claims or rights against the County or Ambac for interest at the Base Rate plus 3.00% under the Standby Agreement from and after the occurrence of such Events of Default.

(e) The aggregate amount of any interest paid on account of claims in the Separate Class during the period between August 31, 2013 and the "Effective Date" of the plan at a rate higher than the New Bank Rate will be defined as the "True-Up Amount." On the first interest payment date after the "Effective Date" of the plan, (i) the aggregate outstanding principal balance of the School Warrants will be reduced by an amount equal to the True-Up Amount rounded down to the nearest authorized denomination of the School Warrants, and (ii) the remainder of the True-Up Amount after giving effect to the principal reduction referenced in clause (i) of this sentence will be subtracted from the interest otherwise payable on such interest payment date on account of the School Warrants.

(f) If Future Tax Proceeds are collected after the "Effective Date" of the plan, the County agrees to direct the Indenture Trustee to utilize such Future Tax Proceeds to make mandatory redemptions of the School Warrants on the next applicable redemption date. The County further agrees that, notwithstanding any provision to the contrary in the Indenture or the First Supplemental Indenture, the County will not direct the Indenture Trustee to credit any portion of Future Tax Proceeds utilized for mandatory redemptions after the "Effective Date" of the plan against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise.

(g) On the plan's "Effective Date," or as soon thereafter as practicable, the County will release any hold on the Retained Amount, and the Retained Amount shall thereafter be available for distribution in accordance with the provisions of the Indenture and the First Supplemental Indenture.

(h) Except as otherwise specified above, the plan will not contain any modifications to the Indenture, the First Supplemental Indenture, or the Standby Agreement or anything else that would adversely affect the rights and remedies otherwise available to the holders of claims in the Separate Class.

Section 4. Additional Commitments of the Parties Under the Agreement.

4.1. Support of an Acceptable Plan.

Depfa agrees that, so long as this Agreement has not been terminated in accordance with its terms, Depfa shall:

(a) not directly or indirectly solicit, support, prosecute, encourage, or respond in the affirmative to any other proposal or offer of refinancing, reorganization, or restructuring of the County or the School Warrants, or any other transaction, that could reasonably be expected to hinder, block, prevent, delay, or impede the formulation, proposal, or confirmation of an Acceptable Plan;

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

(c) not seek or support appointment of a trustee for the County or dismissal of the Bankruptcy Case; and

(d) not take any other action inconsistent with the restructuring proposal contemplated by this Agreement and an Acceptable Plan.

4.2. Transfer of Claims.

(a) Depfa hereby agrees that it shall not sell, transfer, loan, issue, pledge, hypothecate, assign, or otherwise dispose of (each such action, a "Transfer"), directly or indirectly, all or any of its claims against the County, including any of the School Warrants (or any voting rights associated therewith), unless the transferee thereof agrees in writing to assume and be bound by this Agreement, agrees to assume the obligations of Depfa under this Agreement, and delivers such writing to each of the Parties within five (5) business days of the relevant Transfer (each such transferee becoming, upon a Transfer, a Party hereunder). Depfa may Transfer its claims, rights, and obligations under the Indenture, First Supplemental Indenture, or Standby Agreement to an affiliate as long as such Transfer complies with the procedure set forth in the first sentence of this Section 4.2(a). Such Transfer by Depfa to an affiliate shall satisfy any consent required (if any) by the County under the Indenture, First Supplemental Indenture, or Standby Agreement. Any Transfer of any claim against the County that does not comply with the procedure set forth in the first sentence of this Section 4.2(a) shall be deemed void *ab initio*.

(b) Unless and until all claims against the County are transferred, the transfer of any claim against the County shall not release the transferor from any of its other obligations and duties hereunder.

4.3. Further Acquisition of Claims.

This Agreement shall in no way be construed to preclude Depfa from acquiring additional claims against the County; *provided, however*, that any additional claims against the County acquired by Depfa shall automatically be deemed to be subject to the terms of this Agreement, including, but not limited to, the voting requirements set forth in Section 3 hereof.

4.4. Most Favored Nation Rights.

If the County enters into a settlement or agreement with holders of the Series 2005-A Warrants or holders of the Limited Obligation School Warrants, Series 2004-A (the "Series 2004-A Warrants") regarding the treatment of claims related to the Series 2005-A Warrants or the Series 2004-A Warrants under a chapter 9 plan (an "Other School Warrant PSA"), the County shall inform Depfa in writing of such Other School Warrant PSA within three (3) business days of the effective date of such Other School Warrant PSA. If such Other School Warrant PSA contemplates that a chapter 9 plan will enhance, improve or otherwise benefit the rights of holders of the Series 2005-A Warrants or holders of the Series 2004-A Warrants, then the County will agree to amend this Agreement to provide that any Acceptable Plan must also include provisions that provide equivalent enhancements, improvements, or benefits for the holders of claims in the Separate Class.

Section 5. Mutual Representations, Warranties, and Covenants.

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

(a) Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legal, valid, and binding obligation of such Party, and the actions to be taken by each Party are within such Party's powers and have been duly authorized by all necessary action on its part.

(b) The execution, delivery and performance by such Party of this Agreement does not and shall not: (i) violate the provision of law, rule, or regulations applicable to such

Party or any of its subsidiaries; (ii) violate its certificate of incorporation, bylaws, or other organizational documents or those of any of its subsidiaries; or (iii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party.

(c) Subject to the provisions of Bankruptcy Code sections 1125 and 1126 and except for the Jefferson County Commission, the execution, delivery, and performance by such Party of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any Federal, state, or other governmental authority or regulatory body.

Section 6. Reservation of Rights.

This Agreement and any Acceptable Plan are part of a proposed settlement of disputes among the Parties. Except as expressly provided in this Agreement, nothing herein is intended to, does, or shall be deemed in any manner to waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies, and interests. Nothing herein shall be deemed an admission of any kind. Nothing in this Agreement shall constitute a modification or amendment of the Indenture, the First Supplemental Indenture, or the Standby Agreement.

Section 7. Acknowledgments.

This Agreement is the product of good faith, arm's length negotiations among the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of any chapter 9 plan for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. Each Party further acknowledges that no securities of the County are being offered or sold hereby and that this Agreement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the County.

Section 8. Termination.

8.1. Termination Events.

The term "Termination Event," wherever used in this Agreement, means the occurrence of any of the following events (whatever the reason for such Termination Event and whether it is voluntary or involuntary):

(i) the Bankruptcy Case shall have been dismissed and a Party delivers written notice (a "Notice of Termination") to the other Party in accordance with Section 10.10 hereof, informing the other Party of its intent to terminate its obligations under this Agreement;

(ii) any court shall enter a final, non-appealable judgment or order declaring this Agreement to be unenforceable and a Party delivers a Notice of Termination to the other Party in accordance with Section 10.10 hereof, informing the other Party of its intent to terminate its obligations under this Agreement;

(iii) the County determines to file a plan that is not an Acceptable Plan (which, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, will not constitute a breach of this Agreement); or

(iv) any Party has breached any material provision of this Agreement and any such breach remains uncured or not waived in writing by each of the Parties for a period of ten (10) business days after any non-breaching Party has delivered a Notice of Termination with respect to such breach (specifically referencing this Section 8.1(iv)) to the breaching Party in accordance with Section 10.10 hereof.

If any of the foregoing Termination Events occur, then this Agreement shall terminate as to all Parties.

The foregoing Termination Events are intended solely for the benefit of the Parties; *provided, however*, that no Party may terminate this Agreement based upon a material breach or a failure of a condition (if any) in this Agreement arising solely out of its own actions or omissions.

8.2. Consent to Termination.

This Agreement shall be terminated immediately upon written agreement of all the Parties to terminate this Agreement; *provided, however*, that such termination of the Agreement shall not restrict the Parties' rights and remedies with respect to any prior breach of the Agreement by any Party.

8.3. Effect of Termination.

If this Agreement is terminated, then this Agreement will forthwith become null and void as to all Parties, and there will be no continuing liability or obligation on the part of any Party hereunder as of the date of such termination, except as otherwise provided in Section 8.2; *provided, however*, that termination of this Agreement pursuant to Sections 8.1(iii) and 8.1(iv) hereof (but only, in the case of Section 8.1(iv), to the extent that the County is the breaching Party) shall not terminate the County's obligations under Sections 1, 2, and 3(g) hereof, including, without limitation, regarding not crediting any portion of the Early Redemption Amount or any portion of Future Tax Proceeds utilized for mandatory redemptions during the pendency of the Bankruptcy Case against the principal amount of the School Warrants scheduled for redemption pursuant to the amortization schedule set forth in the First Supplemental Indenture or otherwise; *provided, further*, that the continuation (after a termination of this Agreement) of the County's obligations under Section 3(g) will not preclude the County from proposing a plan of adjustment that modifies or cancels the Indenture or the First Supplemental Indenture and will require only that the County release any hold on the Retained Amount and distribute the Retained Amount to holders of the School Warrants, the Series 2005-A Warrants, or the Series 2004-A Warrants on the plan's "Effective Date," or as soon thereafter as practicable. Depfa reserves all of its rights and remedies in the event that the County files a plan of adjustment that is not an Acceptable Plan.

Section 9. Effectiveness of the Agreement.

This Agreement shall become effective as of February 11, 2013, once duly executed by each Party. Notwithstanding the foregoing, the provisions of Section 3 hereof shall become effective only as part of a confirmed plan and only upon the date that such plan becomes effective.

Section 10. Miscellaneous Terms.

10.1. Binding Obligation; Savings Clause.

Subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is a legally valid and binding obligation of the Parties, enforceable in accordance with its terms, and shall inure to the benefit of the Parties and their respective successors, assigns, and representatives. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties and their respective successors, assigns, and representatives, any benefit or any legal or equitable right, remedy, or claim under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement by the County or Depfa to take any step or action that would violate any provision of applicable bankruptcy law or any other applicable laws, and to the extent any provision shall be construed as constituting such a violation, such provision shall be deemed stricken herefrom and of no force and effect without liability to any of the Parties.

10.2. Headings.

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

10.3. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE "CHOICE OF LAW" PRINCIPLES OF THAT OR ANY OTHER JURISDICTION. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees that any dispute with respect to this Agreement shall be resolved by the Bankruptcy Court (or, to the extent the Bankruptcy Court declines to exercise jurisdiction, then any court in the state of New York), which shall also have non-exclusive jurisdiction and power to enforce the terms of this Agreement. Each of the Parties hereby irrevocably submits to the personal jurisdiction of the Bankruptcy Court (and, to the extent the Bankruptcy Court declines to exercise jurisdiction, then any court in the state of New York) solely for purposes of the foregoing sentence and irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each of the Parties irrevocably consents to service of process by mail at the addresses listed for such Party in Section 10.10 hereof. Each of the Parties agrees that its submission to jurisdiction and consent to service of process by mail is made for the sole and express benefit of each of the other Parties to this Agreement.

10.4. Complete Agreement; Interpretation; Modification and Waiver.

(a) The Agreement constitutes the complete agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between or among the Parties with respect thereto.

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

(c) This Agreement may only be modified, altered, amended, or supplemented by an agreement in writing signed by each Party. No waiver of any provision of this Agreement or any default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, whether intentional or not, shall be valid unless the same is made in a writing signed by the Party making such waiver, nor will such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant hereunder, or affect in any manner any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of any representation, warranty, or covenant.

10.5. Specific Performance.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in addition to any other remedies, each Party shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without regards to anything to the contrary contained in applicable law. Each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy. Each Party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of this Agreement.

10.6. Execution of the Agreement.

This Agreement may be executed and delivered (by facsimile, PDF, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

10.7. Independent Due Diligence and Decision-Making.

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

10.8. Settlement Discussions.

This Agreement and the restructuring proposal contemplated by an Acceptable Plan are part of a proposed settlement of disputes among the Parties. Nothing herein shall be deemed an admission of any kind. If the transactions contemplated herein are not consummated, or following the occurrence of a Termination Event as set forth herein, if applicable, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

10.9. Legal and Other Fees.

All of the Parties shall bear their own respective costs and expenses, including legal and other professional fees, associated with the negotiation and implementation of this Agreement.

10.10. Notices.

All notices hereunder (including, without limitation, any Notice of Termination), shall be deemed given if in writing and delivered, if sent by telecopy, electronic mail, courier, or by registered or certified mail (return receipt requested) to the following addresses and telecopier numbers (or at such other addresses or telecopier numbers as shall be specified by like notice):

<u>If to the County</u>:

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

-and-

Jeffrey M. Sewell, Esq., County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203
Facsimile: (205) 325-5840
Email: sewellj@jccal.org

-and-

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

-and-

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

<u>If to Depfa</u>:

Depfa Bank PLC
Attn: Randy Himelfarb
622 Third Avenue, 29th Floor
New York, NY 10017
Facsimile: (212) 905-4779
E-mail: randy.himelfarb@depfa.com

-and-

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attn: Israel David, Esq.; Gary L. Kaplan, Esq.
Telecopier: (212) 859-4000
E-mail: israel.david@friedfrank.com; gary.kaplan@friedfrank.com

Any notice given by delivery, mail, or courier shall be effective when received. Any notice given by telecopier shall be effective upon oral or machine confirmation of transmission. Any notice given by electronic mail shall be effective upon oral or machine confirmation of receipt.

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

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

JEFFERSON COUNTY, ALABAMA

By: W. D. CARRINGTON
Its: PRESIDENT OF THE COUNTY COMMISSION

DEPFA BANK PLC

By:
Its:

DEPFA BANK PLC

By:
Its:

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

JEFFERSON COUNTY, ALABAMA

____
By:
Its:

DEPFA BANK PLC

____
By:
Its: NANCY HENDERSON
MANAGING DIRECTOR

DEPFA BANK PLC

____
JONATHAN R. GROSS
By: DIRECTOR - LEGAL
Its: