



September 30, 2008

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

**Re: Standby Warrant Purchase Agreements and Related Forbearance
Agreements Between Jefferson County and JPMorgan Chase Bank**

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of February 1, 2002, among Jefferson County, Alabama (the "County"), The Bank of New York Mellon, formerly The Bank of New York, as Trustee (the "Trustee"), and JPMorgan Chase Bank (the "Bank"), as liquidity provider, relating to \$110,00,000 Jefferson County, Alabama Sewer Revenue Capital Improvement Warrants Series 2002-A (the "2002-A Standby Agreement"); (b) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, among the County, the Trustee, JPMorgan Chase Bank, as Liquidity Agent (the "Liquidity Agent"), and the Bank, as liquidity provider, relating to \$73,700,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-2 (the "2002-C-2 Standby Agreement"; collectively with the 2002-A Standby Agreement, the "Standby Agreements"); (c)(i) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc (formerly XL Capital Assurance Inc., "Syncora") and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "2002-A Original Forbearance Agreement") and (ii) the forbearance letters from the Bank to the County dated May 13, 2008, May 30, 2008, July 31, 2008 and August 27, 2008, regarding the 2002-A Standby Agreement and the 2002-A Original Forbearance Agreement (the documents described in this clause (c) are referred to collectively as the "2002-A Forbearance Agreement"); and (d)(i) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, FGIC, Syncora, the Liquidity Agent and the Bank (as amended by that

certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "2002-C-2 Original Forbearance Agreement") and (ii) the forbearance letters from the Bank to the County dated May 13, 2008, May 30, 2008, July 31, 2008 and August 27, 2008 regarding the 2002-C-2 Standby Agreement and the 2002-C-2 Original Forbearance Agreement (the documents described in this clause (d) are referred to collectively as the "2002-C-2 Forbearance Agreement"; collectively with the 2002-A Forbearance Agreement, the "Forbearance Agreements"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreements or the Standby Agreements, as applicable.

As you know, pursuant to the Forbearance Agreements, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreements, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008, and September 2, 2008 (the "Default Interest") shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreements, and without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank will proceed as follows: Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008. In addition, and notwithstanding anything to the contrary contained in the Forbearance Agreements, the Bank agrees that, effective upon the execution in counterparts of this letter by the County, the Trustee, Syncora and FGIC, the Default Interest shall be due and payable in full by the County on October 8, 2008.

On October 1, 2008, in partial payment of the amount of interest accrued on the Bank Warrants, the County shall pay or cause to be paid to the Bank interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreements.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreements, the Forbearance Agreements, the Bank

Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreements, the Forbearance Agreements, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreements requiring its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreements as provided in the third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

The execution, delivery and performance of this letter 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. Each undersigned Bond Insurer 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 Agreements, 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 Agreements, 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 the Bank and the Trustee, on the other,

neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

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

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

JPMORGAN CHASE BANK

By: William A. Austin
Title: EXECUTIVE DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.

By: _____
Title:

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

JPMORGAN CHASE BANK

By: _____
Title:

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Betty Jane Collins
Title:

PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: [Signature]
Title AUTHORIZED REPRESENTATIVE

SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.

By: _____
Title:

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

JPMORGAN CHASE BANK

By: _____
Title:

CONSENT AND AGREE:

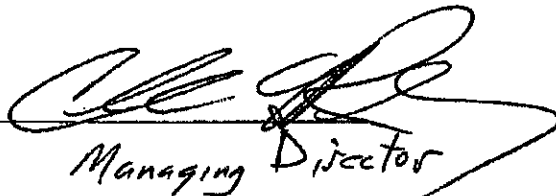
JEFFERSON COUNTY, ALABAMA

By: _____
Title:

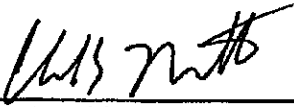
FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.

By: 
Title: *Managing Director*

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

By: 
Title: Vice President

September 30, 2008

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

Re: Standby Warrant Purchase Agreement and Related Forbearance Agreement
Between Jefferson County and Bank of America, N.A.

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, 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, as Liquidity Agent (the "Liquidity Agent"), and Bank of America, N.A., as liquidity provider (the "Bank"), relating to \$98,300,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-3 (the "Standby Agreement"); (b) (i) the Forbearance Agreement and Reservation of Rights (Standby Warrant Purchase Agreement – Bank of America, N.A.), dated as of March 31, 2008, among the County, the Bank, the Liquidity Agent, the Trustee, Financial Guaranty Insurance Company, Syncora Guarantee Inc., formerly XL Capital Assurance Inc. (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "Original Forbearance Agreement") and (ii) the forbearance letters from the Bank to the County dated May 13, 2008, May 30, 2008, July 31, 2008 and August 29, 2008 regarding the Standby Agreement and the Original Forbearance Agreement (the documents described in this clause (b) are referred to collectively as the "Forbearance Agreement"); (c) (i) the Notice and Instructions Concerning Redemption of Bank Warrants, dated April 15, 2008, relating to the Standby Agreement (the "Redemption Notice"); (ii) the Notice and Officer's Certificate, dated May 29, 2008, from the Bank related to the calculation of redemption amounts under the Redemption Notice and (iii) the Notice and Officer's Certificate (revised) dated July 31, 2008 from the Bank related to the revised calculation of redemption amounts under the Redemption Notice (the documents referred to in this clause (c) collectively, the "Notice and Officer's Certificate"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement, the Standby Agreement or the Notice and Officer's Certificate, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the

Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008 and September 2, 2008 (the "Default Interest") shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreement, and without prejudice to the Bank's right to exercise any of its rights and remedies at anytime in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank will proceed as follows: Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank's right to exercise any of its rights and remedies at anytime in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008, provided that on October 1, 2008, the Bank shall receive (a) in partial payment of the amount of interest accrued on the Bank Warrants, interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement and (b) a principal payment on the Bank Warrants in the amount of \$5,976,250. In addition, and notwithstanding anything to the contrary contained in the Forbearance Agreement, the Bank agrees that, effective upon the execution in counterparts of this letter by the County, the Liquidity Agent and the Trustee, the Default Interest shall be due and payable in full by the County on the earlier of (i) October 8, 2008 (ii) the failure for any reason of the Bank to receive either of the payments referenced in this paragraph on or prior to October 1, 2008 (iii) immediately upon written notice from the Bank to the County demanding payment of such Default Interest.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of

Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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.

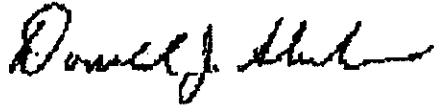
Please further note that we have requested that the Trustee execute this letter for the sole and limited purpose of indicating its consent to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreement as provided in the third paragraph of this letter) and has not agreed 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, the Liquidity Agent and the Trustee.

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

BANK OF AMERICA, N.A.

A handwritten signature in cursive script, appearing to read "Donald J. Sheehan".

By: Donald J Sheehan
Title: SVP

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Betty Jane Collins
Title: _____

PRESIDENT

JPMORGAN CHASE BANK

By: _____
Title: _____

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

By: _____
Title: _____

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

JPMORGAN CHASE BANK

By: William A. Austin
Title: EXECUTIVE DIRECTOR

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

By: [Signature]
Title:

BqA

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

JPMORGAN CHASE BANK

By: _____
Title:

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

By: Chris Smith
Title: Vice President



THE BANK OF NEW YORK MELLON

October 1, 2008

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

Re: Standby Warrant Purchase Agreement and Related Forbearance Agreement
Between Jefferson County and The Bank of New York Mellon

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of May 1, 2003, among Jefferson County, Alabama (the "County"), The Bank of New York Mellon, formerly known as The Bank of New York, as Trustee (the "Trustee"), The Bank of New York Mellon, formerly known as The Bank of New York (the "Bank"), as liquidity provider, and JPMorgan Chase Bank (the "Liquidity Agent"), as liquidity agent, relating to the County's Sewer Revenue Refunding Warrants, Series 2003-B-3 and Series 2003-B-4 (the "Standby Agreement"); and (b) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc. ("Syncora"), the Liquidity Agent, and the Bank, as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, and the letter agreements relating thereto among the Bank, the County, and the other parties thereto, dated as of May 13, 2008, May 30, 2008, August 1, 2008, and August 29, 2008 (collectively, the "Forbearance Agreement"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement or the Standby Agreement, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008, and September 2, 2008 (the "Unpaid Default Interest") shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreement, and without

prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank will proceed as follows. Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008, provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement, and (b) a principal payment on the Bank Warrants in the amount of \$3,130,000. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank's 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the County's failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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. In addition, the Expiration Date shall not occur until October 8, 2008; provided, however, that for purposes of the definition of "Bank Rate" in the Standby Agreement, the Expiration Date shall remain at April 23, 2008 as set forth in the Forbearance Agreement. Syncora confirms that the Bank Rate as calculated in conformity with the preceding sentence constitutes the Bank Rate for purposes of the Municipal Bond Insurance Policy.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Unpaid Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, 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 third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

The execution, delivery and performance of this letter 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. Each undersigned Bond Insurer 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

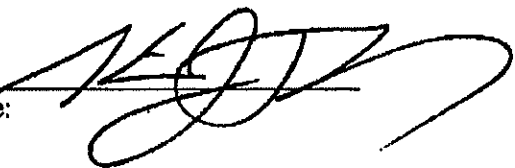
This letter shall take effect only upon execution and return to us of counterparts of this letter executed by the County, the Bond Insurers, the Trustee, and the Liquidity Agent.

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

THE BANK OF NEW YORK MELLON,
formerly known as The Bank of New York

By:
Title:

A handwritten signature in black ink, appearing to read 'K. J. Dunphy', written over a horizontal line.

**KEVIN J. DUNPHY
MANAGING DIRECTOR**

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Bethy Jane Collins
Title:

PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Liquidity Agent

By: _____
Title:

SYNCORA GUARANTEE INC.,
formerly known as XL Capital Assurance Inc.

By: _____
Title:

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

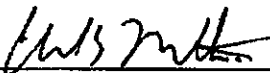
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Liquidity Agent

By: William A Austin
Title: EXECUTIVE DIRECTOR

SYNCORA GUARANTEE INC.,
formerly known as XL Capital Assurance Inc.

By: _____
Title:

THE BANK OF NEW YORK MELLON,
formerly known as The Bank of New York,
as Trustee

By: 
Title: Vice President

September 30, 2008

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

Re: Standby Warrant Purchase Agreements and Related Forbearance
Agreements Between Jefferson County and Lloyds TSB Bank PLC

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, among Jefferson County, Alabama (the "County"), The Bank of New York, as Trustee (the "Trustee"), JPMorgan Chase Bank, as liquidity agent (the "Liquidity Agent"), and Lloyds TSB Bank PLC (the "Bank"), as liquidity provider, relating to \$105,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-7 (the "2003-B-7 Standby Agreement"); (b) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc. (formerly XL Capital Assurance Inc., "Syncora"), the Liquidity Agent and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008 (as so amended, the "2003-B-7 Original Forbearance Agreement"); and (c) the forbearance letters from the Bank to the County dated May 14, 2008, May 30, 2008, July 31, 2008 and August 27, 2008, regarding the 2003-B-7 Original Forbearance Agreement (the documents described in this clause (c) are referred to collectively as the "2003-B-7 Forbearance Agreement"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement or the Standby Agreement, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008 and September 2, 2008 (the "Unpaid Interest") shall be due and payable in full upon expiration of the Forbearance Period. Absent earlier termination in accordance with the terms thereof, the Forbearance Period under the Forbearance Agreement will terminate on September 30, 2008 as a

result of the occurrence of a forbearance period termination event under clause (e) of Section 1 of the 2000-3-B-7 Forbearance Agreement.

In recognition of the recently announced direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank presently intends to proceed as follows: Notwithstanding the termination of the Forbearance Period on September 30, 2008, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008; provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement, and (b) a principal payment on the Bank Warrants in the amount of \$6,565,000. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank's 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the County's failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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. For purposes of the definition of "Bank Rate" in the Standby Agreement, the Expiration Date shall remain at April 23, 2008 as set forth in the Forbearance Agreement. Syncora confirms that the Bank Rate as calculated in conformity with the preceding sentence constitutes the Bank Rate for purposes of the Municipal Bond Insurance Policy.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Unpaid Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County

or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreements as provided in the third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

The execution, delivery and performance of this letter 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. Syncora 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

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

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

LLOYDS TSB BANK PLC

By: _____

Title: _____

NJB
Nicholas J. Bruce
Vice President & Manager
Risk Management & Business Support
8081

Jonathan Smith
Jonathan Smith
Assistant Vice President
Risk Management & Business Support
6025

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____

Title: _____

Michelle Gene Collins
PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____

Title _____

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Liquidity Agent

By: _____

Title _____

**SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.**

**By: _____
Title:**

**THE BANK OF NEW YORK MELLON,
formerly The Bank of New York, as Trustee**

**By: _____
Title:**



September 30, 2008

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

Re: Standby Warrant Purchase Agreement and Related Forbearance
Agreement Between Jefferson County and Regions Bank

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, 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, as liquidity agent (the "Liquidity Agent"), and Regions Bank, (the "Bank"), as liquidity provider, relating to \$49,100,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-7 (the "Standby Agreement"); and (b) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, the Liquidity Agent, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc. ("Syncora"), the Liquidity Agent and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "Original Forbearance Agreement") and the letter agreements relating thereto among the Bank, the County and the other parties dated May 13, 2008, May 30, 2008, July 31, 2008 and August 27, 2008 (collectively, the "Forbearance Agreement"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement or the Standby Agreement, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008, and September 2, 2008 (the "Unpaid Default

Interest”) shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreement, and without prejudice to the Bank’s right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County’s sewer related indebtedness, and as a further expression of the Bank’s willingness to fully explore that mutual goal, the Bank will proceed as follows: Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank’s right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank’s current intent 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 October 8, 2008; provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement, and (b) a principal payment on the Bank Warrants in the amount of \$3,085,000. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank’s 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the County’s failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Unpaid Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, 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 third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

The execution, delivery and performance of this letter 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. Each undersigned Bond Insurer 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

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

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

REGIONS BANK

By: N. Ronald Downey III
N. Ronald Downey III
Title: Vice President

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Bettee Gene Collins
Title:

PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

SYNCORA GUARANTEE INC.,
formerly known as XL CAPITAL ASSURANCE INC.

By: _____
Title:

THE BANK OF NEW YORK MELLON,
formerly known as The Bank of New York, as Trustee

By: _____
Title:

JPMORGAN CHASE BANK, as Liquidity Agent

By: _____
Title:

September 30, 2008

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

Re: Standby Warrant Purchase Agreements and Related Forbearance Agreements Between Jefferson County and Societe Generale, New York Branch

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, 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, as liquidity agent (the "Liquidity Agent"), and Societe Generale, New York Branch (the "Bank"), as liquidity provider, relating to \$147,600,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-6 (the "2002-C-6 Standby Agreement"); (b) the Standby Warrant Purchase Agreement, dated as of May 1, 2003, among the County, the Trustee, the Liquidity Agent, and the Bank, as liquidity provider, relating to \$55,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2003-B-2 (the "2003-B-2 Standby Agreement"; collectively with the 2002-C-6 Standby Agreement, the "Standby Agreements"); (c) (i) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, the Liquidity Agent, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc., formerly XL Capital Assurance Inc. ("Syncora") and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "2002-C-6 Original Forbearance Agreement") and (ii) the forbearance letters from the Bank to the County dated May 13, 2008, May 30, 2008, July 31, 2008 and August 27, 2008, regarding the 2002-C-6 Standby Agreement and the 2002-C-6 Original Forbearance Agreement (the documents described in this clause (c) are referred to collectively as the "2002-C-6 Forbearance Agreement"); and (d) (i) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, the Liquidity Agent, FGIC, Syncora, and the Bank (as

amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "2003-B-2 Original Forbearance Agreement") and (ii) the forbearance letters from the Bank to the County dated May 13, 2008, May 30, 2008, July 31, 2008 and August 27, 2008, regarding the 2003-B-2 Standby Agreement and the 2003-B-2 Original Forbearance Agreement (the documents described in this clause (d) are referred to collectively as the "2003-B-2 Forbearance Agreement"; collectively with the 2002-C-6 Forbearance Agreement, the "Forbearance Agreements"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreements or the Standby Agreements, as applicable.

As you know, pursuant to the Forbearance Agreements, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreements, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008, and September 2, 2008 (the "Default Interest") shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreements, and without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank will proceed as follows: Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008; provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement, and (b) a principal payment on the Bank Warrants in the amount of \$12,485,000.00. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank's 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the

County's failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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.

For purposes of the definition of "Bank Rate" in the 2003-B-2 Standby Agreement, the Expiration Date (as such term is defined in the 2003-B-2 Standby Agreement) shall remain at April 23, 2008 as set forth in the 2003-B-2 Forbearance Agreement. Syncora confirms that the Bank Rate as calculated in conformity with the preceding sentence constitutes the Bank Rate for purposes of the Municipal Bond Insurance Policy.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreements, the Forbearance Agreements, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreements, the Forbearance Agreements, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreements requiring its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreements as provided in the third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

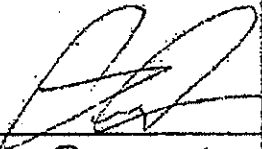
The execution, delivery and performance of this letter agreement by each undersigned Bond Insurer does not contravene or constitute a default under any statute, regulation or rule of any governmental authority or under any provision of the respective Bond Insurer's organizational documents or any contractual 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. Each undersigned Bond Insurer 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 Agreements, 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 Agreements, 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreements, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

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

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

SOCIETE GENERALE, NEW YORK
BRANCH

By: 
Title: DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: 
Title: PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.

By: _____
Title:

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

**By: _____
Title:**

JPMORGAN CHASE BANK, as Liquidity Agent

**By: _____
Title:**



STATE STREET.

State Street Global Markets, LLC
One Lincoln Street
Boston, MA 02111

September 30, 2008

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

Re: Standby Warrant Purchase Agreement and Related Forbearance
Agreement Between Jefferson County and State Street Bank and Trust
Company

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of May 1, 2003, among Jefferson County, Alabama (the "County"), The Bank of New York Mellon, formerly The Bank of New York, as Trustee (the "Trustee"), JP Morgan Chase Bank, as Liquidity Agent, (the "Liquidity Agent"), and State Street Bank and Trust Company (the "Bank"), as liquidity provider, relating to \$75,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-B-5, and \$15,000,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-B-6 (as amended, supplemented or otherwise modified, the "Standby Agreement") ; (b) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee, Inc. ("Syncora" f/k/a XL Capital Assurance, Inc.) the Liquidity Agent and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008, the "Original Forbearance Agreement"); (c) the letter from the Bank to the County dated May 14, 2008, regarding the Standby Agreement and the Original Forbearance Agreement; (d) the letter from the Bank to the County dated May 30, 2008, regarding the Standby Agreement and the Original Forbearance Agreement; (e) the letter from the Bank to the County dated July 31, 2008 regarding the Standby Agreement and the Original Forbearance Agreement; and (f) the letter from the Bank to the County dated August 29, 2008 regarding the Standby Agreement and the Original Forbearance Agreement (the documents described in clauses (b), (c), (d) (e) and (f) are referred to collectively as the "Forbearance Agreement"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement or the Standby Agreement, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in

excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008, and September 2, 2008 (the "Unpaid Default Interest") shall be due and payable in full by the County on October 1, 2008. Additionally, pursuant to the Forbearance Agreement, and without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, the Bank stated its intent not to exercise any of its rights and remedies in respect of the above referenced Events of Default prior to 5:00 p.m. (prevailing Birmingham, Alabama time) on September 30, 2008.

In recognition of the continued direct involvement of the Governor of the State of Alabama to further the ongoing efforts to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank presently intends to proceed as follows: Notwithstanding the termination of the Forbearance Period, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008; provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement; and (b) a principal payment on the Bank Warrants in the amount of \$5,625,000. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank's 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the County's failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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. In addition, the Expiration Date shall not occur until October 8, 2008; provided however, that for purposes of the definition of "Bank Rate" in the Standby Agreement, the Expiration Date shall remain at April 23, 2008 as set forth in the Forbearance Agreement. Syncora confirms that the Bank Rate as calculated in conformity with the preceding sentence constitutes the Bank Rate for purposes of the Municipal Bond Insurance Policy.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Unpaid Default Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Default, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, 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 third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

The execution, delivery and performance of this letter 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. Each undersigned Bond Insurer 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

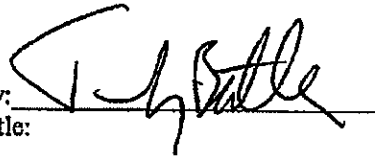
This letter shall take effect only upon execution and return to us of counterparts of this letter executed by the County, the Bond Insurers, the Trustee, and the Liquidity Agent.

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

STATE STREET BANK AND TRUST
COMPANY

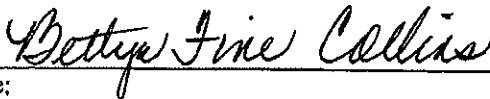
By: _____
Title: _____



CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title: _____



PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title: _____

SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.

By: _____
Title:

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

By: _____
Title:

JP MORGAN CHASE BANK, as Liquidity Agent

By: _____
Title:

September 30, 2008

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

Re: Standby Warrant Purchase Agreements and Related Forbearance
Agreements Between Jefferson County and The Bank of Nova Scotia

Ladies and Gentlemen:

Reference is made to (a) the Standby Warrant Purchase Agreement, dated as of October 1, 2002, among Jefferson County, Alabama (the "County"), The Bank of New York, as Trustee (the "Trustee"), JPMorgan Chase Bank, as liquidity agent (the "Liquidity Agent"), and The Bank of Nova Scotia acting through its New York Agency (the "Bank"), as liquidity provider, relating to \$73,700,000 Jefferson County, Alabama Sewer Revenue Refunding Warrants Series 2002-C-4 (the "2002-C-4 Standby Agreement"); (b) the Forbearance Agreement and Reservation of Rights, dated as of March 31, 2008, among the County, the Trustee, Financial Guaranty Insurance Company ("FGIC"), Syncora Guarantee Inc. (formerly XL Capital Assurance Inc., "Syncora"), the Liquidity Agent and the Bank (as amended by that certain First Amendment to Forbearance Agreement and Reservation of Rights, dated as of April 15, 2008 (as so amended, the "2002-C Original Forbearance Agreement"); and (c) the forbearance letters from the Bank to the County dated May 14, 2008, May 30, 2008, July 31, 2008 and August 27, 2008, regarding the 2002-C-4 Standby Agreement and the 2002-C Original Forbearance Agreement (the documents described in this clause (c) are referred to collectively as the "2002-C Forbearance Agreement"). Unless otherwise defined, capitalized terms are used herein as defined in the Forbearance Agreement or the Standby Agreement, as applicable.

As you know, pursuant to the Forbearance Agreement, the County has acknowledged that Events of Default have occurred and are continuing under the Standby Agreement, that interest has accrued and continues to accrue at the Default Rate on the Bank Warrants, and that all interest accrued at the Default Rate on the Bank Warrants in excess of the amount paid by the County to the Bank on April 1, 2008, May 1, 2008, June 2, 2008, July 1, 2008, August 4, 2008 and September 2, 2008 (the "Unpaid Interest") shall be due and payable in full upon expiration of the Forbearance Period. Absent earlier termination in accordance with the terms thereof, the Forbearance Period under the Forbearance Agreement will terminate on September 30, 2008 as a

result of the occurrence of a forbearance period termination event under clause (e) of Section I of the 2000-C Forbearance Agreement.

In recognition of the recently announced direct involvement of the Governor of the State of Alabama to further the ongoing effort to reach a consensual restructuring of the County's sewer related indebtedness, and as a further expression of the Bank's willingness to fully explore that mutual goal, the Bank will proceed as follows: Notwithstanding the termination of the Forbearance Period on September 30, 2008, but without prejudice to the Bank's right to exercise any of its rights and remedies at any time in the exercise of its sole discretion, it is not the Bank's current intent 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 October 8, 2008; provided that on October 1, 2008, the Bank shall receive (a) interest on the Bank Warrants that has accrued at the applicable Bank Rate, as such term is defined in the Standby Agreement, and (b) a principal payment on the Bank Warrants in the amount of \$4,605,000. Notwithstanding the foregoing, the acceptance of payments of interest that are not calculated at the Default Rate shall not constitute a waiver of the Bank's 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. 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, and all interest on the Bank Warrants accrued and continuing to accrue at the Default Rate shall be due and payable in full by the County on October 8, 2008. The Bank, the Liquidity Agent and the Trustee agree that until October 8, 2008, no additional Event of Default under the Standby Agreement will occur as a result of the County's failure to pay interest on the Bank Warrants calculated at the Default Rate. Syncora approves of the provisions of this paragraph and acknowledges and confirms that all interest accrued and accruing on the Bank 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. For purposes of the definition of the "Bank Rate" in the Standby Agreement, the Expiration Date shall remain at October 24, 2008 as set forth in the Forbearance Agreement. Syncora confirms that the Bank Rate as calculated in conformity with the preceding sentence constitutes the Bank Rate for purposes of the Municipal Bond Insurance Policy.

Please note that nothing contained in this letter is intended as or shall constitute an alteration (except in respect of the change to the date of payment of the Unpaid Interest), waiver or release of any rights, remedies, claims, causes of action, or defenses by any of the Parties in relation to the Standby Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, 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 of the Parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any Party, nor shall anything contained in this letter 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 letter shall be deemed to waive any existing Events of Defaults, or relieve or release the County or the Bond Insurers from any of their respective obligations, as applicable, under the Standby

Agreement, the Forbearance Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, or from the consequences of the existing Events of Default or any other Event of Default. Except as set forth in the third paragraph of this letter, this letter does not constitute an amendment or modification of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, or any Related Documents, and the terms and conditions of the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, 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 to the extent that the third paragraph of this letter constitutes an amendment to the Standby Agreement requiring its consent. Furthermore, the Trustee has not agreed to any amendment, waiver or supplement to the Indenture or any Related Document (other than to the Standby Agreements as provided in the third paragraph of this letter) and has not agreed to forbear from exercising any remedy it has or may have under the Indenture or any other Related Document.

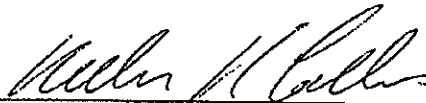
The execution, delivery and performance of this letter agreement by each undersigned Bond Insurer does not contravene or constitute a default under any statute, regulation or rule of any governmental authority or under any provision of the respective Bond Insurer's organizational documents or any contractual 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. Syncora 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 the Bank and the Trustee, on the other, neither the execution and delivery of this letter agreement, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the 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 letter agreement, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

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

We look forward to continuing to work cooperatively in an effort to achieve a consensual restructuring of the County's sewer related indebtedness, and of course, we remain willing to discuss any issue with you at your convenience.

Sincerely,

THE BANK OF NOVA SCOTIA

By: 
Title: WILLIAM R. COLLINS
MANAGING DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: 
Title:

PRESIDENT

FINANCIAL GUARANTY INSURANCE COMPANY

By: _____
Title

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Liquidity Agent

By: _____
Title

**SYNCORA GUARANTEE INC., formerly XL
CAPITAL ASSURANCE INC.**

**By: _____
Title:**

**THE BANK OF NEW YORK MELLON,
formerly The Bank of New York, as Trustee**

**By: _____
Title:**



September 30, 2008

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 letter from the Banks to the County, dated September 15, 2008, relating to the Standby Agreement (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.

As you know, an Event of Default has occurred 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.

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 September 30, 2008.

The County has 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 above referenced Events of Default. The Banks and the Liquidity Agent are willing to proceed on the terms set forth in this letter.

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, 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 5:00 p.m. (prevailing Birmingham, Alabama time) on October 8, 2008.

On October 1, 2008, in partial payment of the amount of interest accrued on the Bank Warrants, the County shall pay or cause to be paid to each Bank 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 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.

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 by any of the parties hereto 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 of the parties are hereby reserved. Nothing contained in this letter is intended to nor shall anything contained herein constitute an admission of liability on the part of any party, nor shall

anything contained in this letter 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 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 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:

BAYERISCHE LANDESBANK (f.k.a.

anything contained in this letter 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 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 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: _____
Title:

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: *Francis X. Doyle*
Title: **FRANCIS X. DOYLE
VICE PRESIDENT**

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: *Michelle Sue Collins*
Title:

PRESIDENT

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

By: _____
Title:

JPMORGAN CHASE BANK NOTICE
AND OFFICER'S CERTIFICATE

September 29, 2008

The Bank of New York Mellon
Financial Center, 7th Floor
505 North 20th Street
Birmingham, Alabama 35203

Jefferson County, Alabama
County Courthouse
716 Richard Arrington Boulevard
Birmingham, Alabama 35203

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017

Re: Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-A

Ladies and Gentlemen:

Reference is made to (i) the Standby Warrant Purchase Agreement, dated as of February 1, 2002 (as amended, supplemented or otherwise modified, the "Standby Agreement"), among Jefferson County, Alabama (the "County"), The Bank of New York Mellon, formerly The Bank of New York, as Trustee (the "Trustee"), and JPMorgan Chase Bank (the "Bank"), relating to the Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-A, (ii) the Notice and Instructions Concerning Redemption of Bank Warrants, dated April 15, 2008, relating to the Standby Agreement (the "Redemption Notice"), (iii) the notice and officer's certificate, dated May 29, 2008, from the Bank relating to the recalculation of certain redemption amounts under the Redemption Notice (the "May 29 Officer's Certificate"), and (iv) the letter, dated July 30, 2008, from the Bank relating to the recalculation of redemption amounts under the Redemption Notice, as modified by the May 29 Officer's Certificate (the "Recalculation Letter"). Unless otherwise defined herein, capitalized terms are used herein as defined in the Standby Agreement or the Redemption Notice, as applicable.

The Bank hereby notifies you that, as of the date hereof: (i) Warrants in the amount of \$2,300,000 that were not Bank Warrants as of the date of the Redemption Notice and the May 29 Officer's Certificate have been purchased by the Bank in accordance with the terms

and conditions of the Standby Agreement and have consequently become Bank Warrants; and (ii) the Bank has terminated its purchase commitment for the Warrants in accordance with the terms and conditions of the Standby Agreement effective as of October 1, 2008, thus causing all Bank Warrants outstanding as of such date to be redeemed in equal principal amounts (subject to rounding to \$5,000 increments) on the next four quarterly redemption dates (commencing October 1, 2008) pursuant to the terms of the Standby Agreement and the Redemption Notice.

In accordance with the Redemption Notice and the Recalculation Letter, the Bank is providing this Officer's Certificate to set forth its calculation of the amount of Bank Warrants to be redeemed on the next four quarterly redemption dates set forth in the Redemption Notice. As of the date hereof, \$101,465,000 of Bank Warrants remains outstanding (after giving effect to the \$2,300,000 of Warrants that have now become Bank Warrants). Based upon the \$2,300,000 of Warrants that have become Bank Warrants and the Bank's termination of its purchase commitment under the Standby Agreement, the amount to be redeemed on each redemption date shall now be as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
October 1, 2008	\$25,365,000
January 1, 2009	\$25,370,000
April 1, 2009	\$25,365,000
July 1, 2009	\$25,365,000

The Trustee, the Bond Insurer, the County and the Bank agree that, except as set forth in this letter, the Redemption Notice, including without limitation, the Bank Acknowledgment and Agreement, the Trustee Acknowledgment and Agreement and the Bond Insurer Acknowledgment and Agreement, as applicable, shall remain in full force and effect in accordance with their respective terms, and by its execution hereof, the applicable party hereby reaffirms its Acknowledgment and Agreement.

As between the undersigned Bond Insurer, on the one hand, and the Bank and the Trustee, on the other, neither the execution and delivery of this letter, nor performance hereunder, shall alter in any way (a) the rights of the Bank or the Trustee, or the obligations of the Bond Insurer, under any Bond Insurance Policy, nor constitute a defense to payment or release under any Bond Insurance Policy, and the 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 the Bond Insurer, as such rights and/or defenses existed prior to the execution of this letter, under the Standby Agreement, the Bank Warrants, the Bond Insurance Policies, the other Related Documents, and any and all documents related thereto.

Sincerely,

JPMORGAN CHASE BANK, as Bank

By: William A. Austin
Title: EXECUTIVE DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Betty Ann Collins
Title: PRESIDENT

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

By: _____
Title: _____

FINANCIAL GUARANTY INSURANCE COMPANY, as Bond Insurer

By: [Signature]
Title: AUTHORIZED REPRESENTATIVE



JPMORGAN CHASE BANK
REDEMPTION DATE DEFERRAL

September 29, 2008

The Bank of New York Mellon
Financial Center, 7th Floor
505 North 20th Street
Birmingham, Alabama 35203

Re: Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-A

Ladies and Gentlemen:

Reference is made to (i) the Standby Warrant Purchase Agreement, dated as of February 1, 2002 (as amended, supplemented or otherwise modified, the "Standby Agreement"), among Jefferson County, Alabama (the "County"), The Bank of New York, as Trustee (the "Trustee"), and JPMorgan Chase Bank (the "Bank"), relating to the Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-A, (ii) the Notice and Instructions Concerning Redemption of Bank Warrants, dated April 15, 2008, relating to the Standby Agreement (the "Redemption Notice"), and (iii) (a) the Notice and Officer's Certificate, dated May 29, 2008, from the Bank related to the calculation of redemption amounts under the Redemption Notice and (b) the Notice and Officer's Certificate, dated September 29, 2008, from the Bank related to the calculation of redemption amounts under the Redemption Notice (the documents referred to in this clause (iii) collectively, the "Notice and Officer's Certificate"). Unless otherwise defined herein, capitalized terms are used herein as defined in the Standby Agreement or the Redemption Notice, as applicable.

Pursuant to the Redemption Notice, this letter shall constitute the written directions to the Trustee by the Bank to defer to October 8, 2008 the entire \$25,365,000 originally scheduled to be redeemed on October 1, 2008, as modified by the Notice and Officer's Certificate.

Based upon the deferral set forth in the immediately preceding paragraph, (i) the amount of the redemption scheduled to occur on October 1, 2008 shall now be \$0, and (ii) the amount of the redemption scheduled to occur on October 8, 2008 shall be \$25,365,000. Except as may be further modified pursuant to the Redemption Notice, all other redemptions shall occur on

the dates and in the amounts set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate.

The Trustee, the Bond Insurer, the County and the Bank agree that, except as set forth in this letter, the Redemption Notice, including without limitation, the Bank Acknowledgment and Agreement, the Trustee Acknowledgment and Agreement and the Bond Insurer Acknowledgment and Agreement, as applicable, shall remain in full force and effect in accordance with their respective terms, and by its execution hereof, the applicable party hereby reaffirms its Acknowledgment and Agreement.

As between the undersigned Bond Insurer, on the one hand, and the Bank and the Trustee, on the other, neither the execution and delivery of this letter, nor performance hereunder, shall alter in any way (i) the rights of the Bank or the Trustee, or the obligations of the undersigned Bond Insurer, under the Municipal Bond Insurance Policy, nor constitute a defense to payment or release under the Municipal Bond Insurance Policy, and the undersigned Bond Insurer expressly waives the benefit of any rule of law or provision of any Related Document that would provide otherwise, and (ii) the rights and/or defenses of the undersigned Bond Insurer, as such rights and/or defenses existed prior to the execution of this letter, under the Standby Agreement, the Bank Warrants, the Municipal Bond Insurance Policy, the other Related Documents, and any and all

documents related thereto. The undersigned Bond Insurer hereby acknowledges and confirms that the redemption schedule set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate and this letter, sets forth the dates on which such quarterly principal installments will be Due for Payment (as defined in the Bond Insurance Policy).

Sincerely,

JPMORGAN CHASE BANK, as Bank

By: William A. Austin
Title: EXECUTIVE DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

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

By: _____
Title:

FINANCIAL GUARANTY INSURANCE COMPANY, as Bond Insurer

By: _____
Title:

documents related thereto. The undersigned Bond Insurer hereby acknowledges and confirms that the redemption schedule set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate and this letter, sets forth the dates on which such quarterly principal installments will be Due for Payment (as defined in the Bond Insurance Policy).

Sincerely,

JPMORGAN CHASE BANK, as Bank

By: _____
Title:

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Betty Jane Collins
Title: **PRESIDENT**

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

By: _____
Title:

FINANCIAL GUARANTY INSURANCE COMPANY, as Bond Insurer

By: [Signature]
Title: *AUTHORIZED REPRESENTATIVE*

documents related thereto. The undersigned Bond Insurer hereby acknowledges and confirms that the redemption schedule set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate and this letter, sets forth the dates on which such quarterly principal installments will be Due for Payment (as defined in the Bond Insurance Policy).

Sincerely,

JPMORGAN CHASE BANK, as Bank

By: _____
Title:

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: _____
Title:

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

By: Chris Mott
Title: Vice President

FINANCIAL GUARANTY INSURANCE COMPANY, as Bond Insurer

By: [Signature]
Title: AUTHORIZED REPRESENTATIVE



JPMORGAN CHASE BANK
REDEMPTION DATE DEFERRAL

September 29, 2008

The Bank of New York Mellon
Financial Center, 7th Floor
505 North 20th Street
Birmingham, Alabama 35203

Re: Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-C-2

Ladies and Gentlemen:

Reference is made to (i) the Standby Warrant Purchase Agreement, dated as of October 1, 2002 (as amended, supplemented or otherwise modified, the "Standby Agreement"), among Jefferson County, Alabama (the "County"), The Bank of New York, as Trustee (the "Trustee"), JPMorgan Chase Bank, as Liquidity Agent, and JPMorgan Chase Bank (the "Bank"), relating to the Jefferson County, Alabama Sewer Revenue Refunding Warrants, Series 2002-C-2, (ii) the Notice and Instructions Concerning Redemption of Bank Warrants, dated April 15, 2008, relating to the Standby Agreement (the "Redemption Notice"), and (iii) the Notice and Officer's Certificate, dated May 29, 2008, from the Bank related to the calculation of redemption amounts under the Redemption Notice (the "Notice and Officer's Certificate"). Unless otherwise defined herein, capitalized terms are used herein as defined in the Standby Agreement or the Redemption Notice, as applicable.

Pursuant to the Redemption Notice, this letter shall constitute the written directions to the Trustee by the Bank to defer to October 8, 2008 the entire \$4,585,000 originally scheduled to be redeemed on October 1, 2008, as modified by the Notice and Officer's Certificate.

Based upon the deferral set forth in the immediately preceding paragraph, (i) the amount of the redemption scheduled to occur on October 1, 2008 shall now be \$0, and (ii) the amount of the redemption scheduled to occur on October 8, 2008 shall be \$4,585,000. Except as may be further modified pursuant to the Redemption Notice, all other redemptions shall occur on the dates and in the amounts set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate.

The Trustee, the Bond Insurer, the County and the Bank agree that, except as set forth in this letter, the Redemption Notice, including without limitation, the Bank Acknowledgment and Agreement, the Trustee Acknowledgment and Agreement and the Bond Insurer Acknowledgment and Agreement, as applicable, shall remain in full force and effect in accordance with their respective terms, and by its execution hereof, the applicable party hereby reaffirms its Acknowledgment and Agreement.

As between the undersigned Bond Insurer, on the one hand, and the Bank and the Trustee, on the other, neither the execution and delivery of this letter, nor performance hereunder, shall alter in any way (i) the rights of the Bank or the Trustee, or the obligations of the undersigned Bond Insurer, under the Municipal Bond Insurance Policy, nor constitute a defense to payment or release under the Municipal Bond Insurance Policy, and the undersigned Bond Insurer expressly waives the benefit of any rule of law or provision of any Related Document that would provide otherwise, and (ii) the rights and/or defenses of the undersigned Bond Insurer, as such rights and/or defenses existed prior to the execution of this letter, under the Standby Agreement, the Bank Warrants, the Municipal Bond Insurance Policy, the other Related Documents, and any and all

documents related thereto. The undersigned Bond Insurer hereby acknowledges and confirms that the redemption schedule set forth in the Redemption Notice, as modified by the Notice and Officer's Certificate and this letter, sets forth the dates on which such quarterly principal installments will be Due for Payment (as defined in the Bond Insurance Policy).

Sincerely,

JPMORGAN CHASE BANK, as Bank

By: William A. Austin
Title: EXECUTIVE DIRECTOR

CONSENT AND AGREE:

JEFFERSON COUNTY, ALABAMA

By: Bettee Jane Collins
Title: PRESIDENT

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

By: _____
Title: _____

SYNCORA GUARANTEE INC., formerly
XL CAPITAL ASSURANCE INC., as Bond Insurer

By: [Signature]
Title: Managing Director