

## **JEFFERSON COUNTY, ALABAMA**

### **Series Designations and CUSIP Numbers on Attached Schedule A**

#### **MATERIAL EVENT NOTICE**

**November 9, 2011**

The following information is provided by Jefferson County, Alabama (the "County") pursuant to certain Continuing Disclosure Agreements executed and delivered by the County in connection with the issuance of certain of the obligations set forth on the attached Schedule A (the "Obligations"), in compliance with Securities and Exchange Commission Rule 15c2-12. Although the County has no Continuing Disclosure Agreement with regard to certain of the Obligations described in Schedule A (due to their exemption from the continuing disclosure obligations of SEC Rule 15c2-12), the County has nonetheless determined to include such Obligations in this Material Event Notice.

The Jefferson County Commission adopted the attached resolution by a four to one vote at a regular meeting held on November 9, 2011, authorizing the filing of a petition for relief under Chapter 9 of the United States Bankruptcy Code on behalf of and in the name of the County. The petition was filed with the United States Bankruptcy Court for the Northern District of Alabama, Southern Division at 4:29 p.m. CST, November 9, 2011, and is styled *In re: Jefferson County, Alabama*, Case No. 11-05736-9.

## RESOLUTION

**WHEREAS**, Jefferson County, Alabama (the "County"), is a political subdivision of the State of Alabama;

**WHEREAS**, Alabama law requires that the County operate pursuant to an annual balanced budget (the "Budget"), which historically has been funded by revenues derived from: (a) County sales and use taxes; (b) *ad valorem* taxes on real property and certain personal property; (c) an occupational tax on earnings of workers employed in the County (the "Occupational Tax") and business license fees; and (d) operational revenues generated from the County's "enterprise funds," such as the Cooper Green Hospital Fund and the Sanitary Operations Fund;

**WHEREAS**, for fiscal year 2010, which ended September 30, 2010, unrestricted revenues in the County's general fund (the "General Unrestricted Fund Revenues") totaled approximately \$207.2 million;

**WHEREAS**, approximately \$50.0 million of the unrestricted revenues were related to one-time non-recurring revenue events;

**WHEREAS**, for fiscal year 2010, revenues from the Occupational Tax and business license fees totaled approximately \$75.7 million, accounting for roughly 48% of recurring General Unrestricted Fund Revenues;

**WHEREAS**, for fiscal year 2011, which ended September 30, 2011, General Unrestricted Fund Revenues totaled approximately \$152.47 million;

**WHEREAS**, approximately \$46.9 million of the unrestricted revenues for fiscal year 2011 were related to one-time non-recurring revenue events;

**WHEREAS**, General Unrestricted Fund Revenues for fiscal year 2011 included Occupational Tax collections totaling approximately \$15.3 million from the beginning of fiscal year 2011 on October 1, 2010 through December 1, 2010, the date that a judgment invalidating the Occupational Tax became final;

**WHEREAS**, Alabama counties lack home rule and are therefore unable to raise revenue without express statutory authorization from the Alabama Legislature;

**WHEREAS**, the Occupational Tax was authorized by an act of the Alabama Legislature in 1967 (the "1967 Act"), and the 1967 Act survived no fewer than 17 legal challenges from 1987 until 2009;

**WHEREAS**, in November 1999, the Alabama Legislature enacted a statute that purported to repeal the 1967 Act, (the "1999 Repeal Act");

**WHEREAS**, in March 2000, in a lawsuit brought by the Jefferson County Employees' Association (the "JCEA Case"), the Circuit Court of Jefferson County declared that the 1999 Repeal Act did not receive enough favorable votes in the Legislature to become law and, as a result, was unconstitutional and void;

**WHEREAS**, in May 2005, the Alabama Supreme Court, in an unrelated case, (the "BJCCA Case"), ruled that the judicial branch of state government lacks jurisdiction to interpret and enforce provisions of the state constitution that apply to the legislative branch of state government and that the courts of Alabama lack jurisdiction to determine whether a bill received the requisite number of favorable votes to become law;

**WHEREAS**, in the class action lawsuit styled *Jessica Edwards, et al., v. Jefferson County Commission, et al.*, CV-07-900873 (the "Edwards Case"), Judge David A. Rains ruled: (a) based on the Alabama Supreme Court's opinion in BJCCA Case, the trial court in the JCEA Case lacked jurisdiction to invalidate the 1999 Repeal Act; (b) the 1999 Repeal Act was valid; (c) the 1967 Act had been repealed by the 1999 Repeal Act; and (d) the County had been collecting the Occupational Tax without express statutory authority since the effective date of the 1999 Repeal Act;

**WHEREAS**, in August 2009, the Alabama Supreme Court affirmed the trial court's ruling in the Edwards Case;

**WHEREAS**, then-Governor Bob Riley called a special session of the Alabama Legislature to enact a new statute authorizing future collection of the Occupational Tax and ratifying, validating and confirming the collection of Occupational Tax after the effective date of the 1999 Repeal Act;

**WHEREAS**, during the special session the Alabama Legislature enacted Act 2009-811 (the "2009 Act"), which, among other things, repealed the 1999 Repeal Act, revived the 1967 Act, and provided separate and additional authority to the County to levy the Occupational Tax and business license fees both retroactively and prospectively;

**WHEREAS**, the 2009 Act was challenged in the class action lawsuit styled *Jeffrey Weissman, D.D.S., et al. v. Jefferson County*, CV-09-904022 (the "Weissman Case");

**WHEREAS**, in the Weissman Case, Judge Charles Price ruled that the Alabama Legislature failed to comply with the publication requirement of section 106 of the Alabama Constitution when enacting the 2009 Act, and, as a result, the 2009 Act was unconstitutional and void;

**WHEREAS**, Judge Price's judgment became final on December 1, 2010 but did not require that the County refund Occupational Tax collected between the effective date of the 2009 Act (August 14, 2009) and the date of final judgment (December 1, 2010);

**WHEREAS**, both the County and the Taxpayer/Plaintiffs appealed Judge Price's ruling to the Alabama Supreme Court, the County challenging Judge Price's ruling that the 2009 Act

was unconstitutional and void and the Taxpayer/Plaintiffs challenging Judge Price's determination that his ruling would not be given retroactive effect;

**WHEREAS**, the Alabama Supreme Court bifurcated the issues on appeal and on March 16, 2011 upheld Judge Price's ruling that the 2009 Act was unconstitutional and void;

**WHEREAS**, there remains pending before the Alabama Supreme Court the issue of whether the County must refund approximately \$100 million in Occupational Tax collected pursuant to the 2009 Act from its effective date (August 14, 2009) through the date of Judge Price's order (December 1, 2010);

**WHEREAS**, in response to the loss of the revenue derived from the Occupational Tax resulting from the rulings in the Weissman Case, and in accordance with the balanced budget requirement of Alabama law, the County eliminated nearly \$35 million of expenditures in the fiscal year 2011 Budget;

**WHEREAS**, in the 2011 Regular Session the Alabama Legislature enacted a business license tax that may generate up to \$7.0 million in annual revenues, but did not enact any statute authorizing the County to replace the revenue from the Occupational Tax;

**WHEREAS**, the failure to authorize the County to replace the Occupational Tax required the County to make further reductions in expenditures, which to date include: (a) placement of 550 employees on leave without pay; (b) closure of four satellite courthouses; (c) cessation of road maintenance; (d) curtailment of law enforcement; (e) implementation of stop-gap funding for security at the criminal, domestic relations and family courts with no feasible long-term funding solution; and (f) drawing down cash reserves to fund operating shortfalls;

**WHEREAS**, the multiple reductions in expenditures have resulted in a drastic decline in basic services provided to the citizens of the County;

**WHEREAS**, the County's remaining operating cash reserves are dangerously low in the absence of legislative authorization of additional revenue sources;

**WHEREAS**, the County has passed a balanced Budget for fiscal year 2012 that not only extends the spending cuts implemented during fiscal year 2011 but also further reduces the operating budgets of essentially all departments and anticipates the replacement of projected revenue shortfalls with the County's cash reserves;

**WHEREAS**, in addition to the financial distress associated with the loss of the Occupational Tax and the lack of a legislative solution, the County faces further uncertainty related to decreased revenues and increased expenditures resulting from the devastating outbreak of tornadoes and storms on April 27, 2011;

**WHEREAS**, during fiscal year 2011 the County was forced to draw approximately \$20 million in funds from the cash reserves to cover expenses related to the County's recovery from the April 27, 2011 tornadoes and storms;

**WHEREAS**, the County projects that, absent further reductions in services or a replacement of at least some portion of the revenues previously raised through the Occupational Tax – and even after implementing severe reductions in services already implemented in connection with the fiscal year 2012 Budget – the County’s operating funds likely will be severely depleted;

**WHEREAS**, the County faces additional financial distress related to its long-term debt;

**WHEREAS**, the County currently owes approximately \$200,520,000 on account of four series of general obligation warrants issued in 2001, 2003 and 2004 (the “GO Warrants”);

**WHEREAS**, the GO Warrants are general obligations of the County, repayment of which is backed by the full faith and credit of the County;

**WHEREAS**, due to the failure of the auction rate securities markets, credit downgrades and other events, the debt associated with the Series 2001-B GO Warrants has been accelerated and is currently due and owing in the approximate principal amount of \$105,000,000, and default interest continues to accrue;

**WHEREAS**, in 2008, the County negotiated a forbearance agreement with the holders of the Series 2001-B GO Warrants and subsequently negotiated extensions of such agreement, but such agreement now has expired;

**WHEREAS**, the County currently owes approximately \$814,075,000 on account of two series of limited obligation warrants issued in 2004 and 2005 to fund capital improvement projects in eleven local school districts in the County (the “School Warrants”);

**WHEREAS**, the School Warrants are not backed by the full faith and credit of the County, but rather are secured by the gross proceeds of a 1% sales tax authorized in December 2004;

**WHEREAS**, the County is current on all scheduled payments related to the School Warrants but faces an indenture default based on the credit downgrade of Ambac Assurance Corporation, which had issued the surety bond deposited by the County as a cash substitute in the debt service reserve fund required by the indenture;

**WHEREAS**, in 2006, the County arranged for the construction of a new courthouse building in Bessemer, renovation of the existing courthouse and county jail in Bessemer, and the construction of an E911 communications center office building (the “Warrant-Financed Facilities”), all financed by lease revenue warrants issued by the Jefferson County Public Building Authority (the “Lease Revenue Warrants”);

**WHEREAS**, the County has no direct obligation under the Lease Revenue Warrants but is party to a long-term lease pursuant to which it leases the Warrant-Financed Facilities, and the County has covenanted that so long as the Lease Revenue Warrants are outstanding, the County

will not relocate the County's Bessemer courthouse or jail from the Warrant-Financed Facilities to any alternative facility;

**WHEREAS**, the County has issued the following non-recourse debt obligations to fund improvements to its sewer system: Sewer Revenue Warrants Series 1997-A-B-C, Series 1997-D, Series 1999-A, Series 2001-A, Series 2002-A, Series 2002-B, Series 2002-C, Series 2002-D, Series 2003-A, 2003-B and Series 2003-C (collectively, the "Sewer Warrants");

**WHEREAS**, the outstanding principal indebtedness asserted under the Sewer Warrants totals approximately ~~\$3.143~~ billion;

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**WHEREAS**, the Sewer Warrants are not backed by the full faith and credit of the County, but rather are secured solely by a lien on the net revenues generated by the County's sanitary sewer system (the "Sewer System");

**WHEREAS**, upon the issuance of the Sewer Warrants, the County obtained insurance from various third parties (collectively, the "Sewer Warrant Insurers") to insure the County's obligations with respect to the Sewer Warrants;

**WHEREAS**, the cost of the Sewer System substantially exceeded the County's initial projections due to many factors, including, without limitation: (a) the stringent compliance standards and accelerated time frame for compliance mandated by the federal district court under a 1996 consent decree; (b) corruption associated with the letting of contracts related to the Sewer System that resulted in convictions of no fewer than 20 County officials, contractors, and other parties; and (c) bribery and fraud associated with the financing of the Sewer System improvements involving, among others, JPMorgan Securities, Inc. ("JPMorgan") and Larry Langford, former President of the County Commission, who acted beyond any authority vested by applicable Alabama law;

**WHEREAS**, on September 2, 2009, the federal Securities and Exchange Commission entered an order instituting administrative cease-and-desist proceedings and imposing remedial sanctions (the "SEC Order") against JPMorgan;

**WHEREAS**, pursuant to the SEC Order, JPMorgan agreed to, among other things: (a) waive swap termination fees related to swap agreements between the County and JPMorgan related to the Sewer Warrants; (b) make a \$50 million payment to and for the benefit of the County (the "County Payment"); (c) pay a civil monetary penalty to the SEC in the amount of \$25 million to be deposited in a Fair Fund created pursuant to the Sarbanes-Oxley Act (the "Fair Fund Payment");

**WHEREAS**, in February 2011, pursuant to a Proposed Plan of Distribution and Order Directing Distribution of Fair Fund (the "Fair Fund Order"), the SEC distributed the Fair Fund Payment to the County, determining that the County suffered direct economic harm as a result of JPMorgan's actions, including harm to its reputation, credit rating and ability to refinance its Sewer System debts;

**WHEREAS**, due to the failure of the auction rate securities markets, credit downgrades and other events, the debt associated with a portion of the Sewer Warrants has been accelerated, and default interest is accruing;

**WHEREAS**, one or more of the Sewer Warrant Insurers has defaulted on its obligations with respect to the insurance policies issued with respect to the Sewer Warrants;

**WHEREAS**, the net revenues from the Sewer System are insufficient to service the obligations asserted under the Sewer Warrants;

**WHEREAS**, over the past three and a half years, the County has engaged in negotiations with The Bank of New York Mellon, as indenture trustee for the Sewer Warrants (the "Sewer Warrant Trustee") under that certain trust indenture dated February 1, 1997 (as amended, the "Indenture"), certain holders of the majority of the Sewer Warrants and with the Sewer Warrant Insurers regarding a restructuring of the terms of the Sewer Warrants;

**WHEREAS**, the Sewer Warrant Trustee filed a lawsuit against the County styled *The Bank of New York Mellon, et al, v. Jefferson County, Alabama*, CV-2009-002318 (the "Receivership Case"), in which suit the Sewer Warrant Trustee, among other things, requested the appointment of a receiver for the Sewer System;

**WHEREAS**, pursuant to an order dated September 22, 2010 (the "Receiver Order") in the Receivership Case, relying upon Alabama Code § 6-6-620 (which is specifically part of the Remedies Chapter, *i.e.*, Chapter 6 of Title 7 of the Alabama Code) and Section 13.2 of the Indenture (titled "Remedies on Default"), Judge Albert L. Johnson appointed John S. Young, Jr., LLC (the "Receiver") as receiver to operate the Sewer System;

**WHEREAS**, pursuant to an order dated July 8, 2011, Judge Johnson granted to the Receiver control over certain Sewer System bank accounts, directing the County to make the Receiver a signatory on such accounts;

**WHEREAS**, under the Indenture and the Receiver Order, the Receiver's powers are subject to and limited by all applicable state and federal law;

**WHEREAS**, the Receiver published notice of a public hearing on June 29, 2011 with respect to the Receiver's intent to raise the rates charged by the County for usage of the Sewer System by 25% to levels that the County believes are unreasonable and contrary to applicable law, particularly in light of the fact that Sewer System rates had increased by approximately 329% over the past decade;

**WHEREAS**, the Receiver has acknowledged publicly that, even if it is successful in implementing its proposed rates for sewer usage and in achieving other efficiencies from the Sewer System, the resulting net revenues from the Sewer System still will be insufficient to service the outstanding principal amount of the Sewer Warrants and the interest and other charges that have accrued and continue to accrue on such Sewer Warrants under the operative documents;

**WHEREAS**, on June 21, 2011, the Receiver demanded in writing that the County pay to the Receiver, within seven days, the \$75.0 million the County received pursuant to the SEC Order and Fair Fund Order;

**WHEREAS**, the County disputes the Receiver's right to the money received by the County pursuant to the SEC Order and Fair Fund order;

**WHEREAS**, on June 15, 2011, Luther Strange, as Attorney General of the State of Alabama (the "Attorney General") filed a motion to intervene in the Receivership Case to protect the interest of ratepayers and to enforce Alabama law, and on July 25, 2011, Judge Johnson granted the Attorney General's motion;

**WHEREAS**, on June 21, 2011, certain members of the Alabama Legislature, namely Oliver Robinson, Mary Moore, Rod Scott, and John Rogers, filed a motion to intervene in the Receivership Case, asserting, among other things, that the delegation of ratemaking authority, to the Receiver or otherwise, violates the Alabama constitution, and on July 25, Judge Johnson denied such motion;

**WHEREAS**, in the class action lawsuit styled *Charles Wilson, et al., v. JPMorgan Chase & Company, et al.*, CV-08-901907 (the "Wilson Case"), a putative class of ratepayers has sued the County for, among other things, a declaration that rates currently set by the County for usage of the Sewer System are unreasonable and unlawful, and that the Indenture is void;

**WHEREAS**, subsequent to the County's receipt of the Receiver's June 21, 2011 demand letters, the Attorney General and the Governor of the State of Alabama (the "Governor") expressed a willingness to assist in negotiations with the Sewer Warrant Trustee, the Sewer Warrant Insurers, other holders of a majority of the Sewer Warrants, and certain holders of claims arising from the termination of the swap agreement executed in connection with the Sewer Warrants (collectively, the "Sewer Warrant Creditors");

**WHEREAS**, the Governor expressed the State's willingness to provide support to the County in the form of a credit enhancement in connection with a refinancing of a portion of the outstanding Sewer Warrants;

**WHEREAS**, based on the potential for renewed good faith negotiations between the Sewer Warrant Creditors and the County involving the Attorney General and the Governor, on June 27, 2011, the Director of the Alabama Department of Finance and the Receiver agreed that, from June 27, 2011 to July 29, 2011 (the "Standstill Period"): (a) the County would not seek relief under Chapter 9 of the Bankruptcy Code; (b) the Receiver would not conduct a public hearing regarding Sewer System rate increases; and (c) the Receiver would suspend efforts to collect \$75.0 million from the County related to the funds received pursuant to the SEC Order and Fair Fund Order;

**WHEREAS**, on or about July 11, 2011, the County and the State submitted a good faith settlement offer (the "County/State Settlement Offer") to the Sewer Warrant Creditors;



**WHEREAS**, the County/State Settlement Offer was contingent on enactment of legislation by the Alabama Legislature, including the enactment of a revenue replacement tax to fill the funding gap created by the loss of the Occupational Tax;

**WHEREAS**, on or about July 27, 2011, the Receiver presented to the County and the State an outline of conditions to settlement (the "Receiver Outline");

**WHEREAS**, to further additional good faith negotiations the parties extended the Standstill Period through 5:00 p.m. on August 4, 2011, then through 12:00 p.m. on August 12, 2011, and finally through 12:00 p.m. on September 16, 2011;

**WHEREAS**, on or about August 8, 2011, the County submitted a good faith counter-proposal to the Receiver Outline;

**WHEREAS**, on or about August 11, 2011, the Receiver presented to the County and the State a revised outline of conditions to settlement (the "Revised Receiver Outline");

**WHEREAS**, the Receiver Outline and Revised Receiver Outline did not purport to be an offer from the Sewer Warrant Creditors and did not bind the Sewer Warrant Creditors;

**WHEREAS**, on August 12, 2011, after deliberating at a public hearing with respect to the Revised Receiver Outline and the potential authorization of an immediate Chapter 9 filing, the County rejected the Revised Receiver Outline, but, at the request of the Governor, agreed to additional direct negotiations with the Sewer Warrant Creditors;

**WHEREAS**, after extensive additional good faith negotiations directly between the County and Sewer Warrant Creditors, the County submitted a good faith counter-proposal to the Revised Receiver Outline (the "September 14 Term Sheet");

**WHEREAS**, on September 16, 2011, after a properly noticed public hearing, the County approved and entered into a term sheet (the "Term Sheet") with the Receiver that described the general terms and conditions under which the parties have agreed to pursue a refinancing of the Sewer Warrants in the principal amount of \$2.05 billion and provided that the County, the Receiver and the Sewer Warrant Creditors would enter into one or more definitive and binding settlement agreements setting forth the terms and conditions under which the parties would agree to settle their differences (whether one or more agreements, the "Definitive Settlement Agreement");

**WHEREAS**, after more than seven weeks of negotiations, the County has been unable to obtain the agreement of the Receiver and all Sewer Warrant Creditors to the form or substance of the Definitive Settlement Agreement that implements the economic concessions contemplated in the Term Sheet;

**WHEREAS**, the County's efforts to negotiate the Definitive Settlement Agreement have been frustrated by the recent sale of Sewer Warrants to parties that have not agreed to restructure their newly-acquired claims in a manner consistent with the Term Sheet;

**WHEREAS**, the Governor has declined to call a special session of the Alabama Legislature to consider the legislative action contemplated in the Term Sheet unless and until (a) the Receiver and all Sewer Warrant Creditors with which the County has been negotiating have executed and delivered the Definitive Settlement Agreement;

**WHEREAS**, the execution and delivery of a Definitive Settlement Agreement that implements the economic concessions contemplated in the Term Sheet is neither imminent nor foreseeable;

**WHEREAS**, the Receiver has made clear its intention absent settlement to: (a) seek relief in the Receivership Case to collect from the County, presumably via attachment or otherwise, \$75.0 million on account of payments the County received under the SEC Order and Fair Fund Order; and (b) pursue an increase in rates whether or not the County Commission supports such increase;

**WHEREAS**, notwithstanding the County's good faith attempts to resolve the claims related to the Sewer Warrants, litigation continues in state courts in Alabama and New York regarding not only claims asserted by the Sewer Warrant Insurers against the County totaling approximately \$400 million, but also claims asserted by the County against JPMorgan and claims in the Wilson Case by ratepayers against the County related to the reasonableness of the current sewer rates;

**WHEREAS**, notwithstanding the County's good faith efforts to resolve claims related to the Occupational Tax – including a class action settlement in the Edwards Case – litigation continues in the Weissman Case with respect to the Occupational Tax and the County's right to moneys collected while the Occupational Tax was under legal attack, including approximately \$100 million collected pursuant to the 2009 Act, which has since been declared unconstitutional;

**WHEREAS**, Pursuant to Section 11-3-11 of the Alabama Code (the "Alabama Code"), the Jefferson County Commission serves as the governing body of the County;

**WHEREAS**, the Jefferson County Commission consists of the following five commissioners elected from five districts within the County: George Bowman (District 1); Sandra Little Brown (District 2); Jimmie Stephens (District 3); Joe Knight (District 4); and David Carrington (District 5);

**WHEREAS**, Mr. Carrington serves as the President of the Jefferson County Commission;

**WHEREAS**, the current Jefferson County Commission took office on November 10, 2010 and is committed to finding a timely, permanent solution to the County's financial crisis;

**WHEREAS**, the County is a municipality, as such term is defined under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”);

**WHEREAS**, pursuant to Alabama Code § 11-81-3, the County is specifically authorized to be a debtor under Chapter 9 of the Bankruptcy Code;

**WHEREAS**, the County generally is not paying its debts as they become due, is unable to pay its debts as they become due, and is insolvent;

**WHEREAS**, the County desires to effect of a plan of adjustment of debts to adjust the terms and conditions of the Sewer Warrants, the GO Warrants, the Non-Sewer Limited Obligation Warrants, judgment creditors and other debts and obligations;

**WHEREAS**, the attachment of – or an order compelling the County to pay – \$75.0 million to the Receiver related to the funds received by the County under the SEC Order and Fair Fund Order would render the County unable to ensure payment of its necessary operating expenses for fiscal year 2012;

**WHEREAS**, other factors render further negotiations impracticable, including: (a) the size of the creditor body; (b) adverse and conflicting interests among the creditor body; (c) lack of an identifiable bargaining unit from the creditor body; and (d) the continued demands from some creditors that are unacceptable for multiple reasons;

**WHEREAS**, because of, among other things, the Receiver’s aggressive attempts to collect \$75.0 million from the County related to the funds received by the County under the SEC Order and Fair Fund Order and impose double-digit Sewer System rate increases, the large volume of creditors, the requirements in the operative documents relating to the County’s warrants that all holders of such obligations must affirmatively consent to any material restructuring of their respective obligations, and the restrictions imposed on the County by state law and the County’s current credit rating, the County is unable to negotiate with creditors the terms of a proposed chapter 9 plan of adjustment of debts for the County because such negotiation is impracticable;

**WHEREAS**, the County reasonably believes that the Receiver or certain creditors may attempt to obtain transfers avoidable under section 547 of the Bankruptcy Code;

**WHEREAS**, after over three years of diligent efforts toward regaining financial stability, the County has exhausted its options, and additional delays in resolving its financial crisis will further harm the County’s prospects for recovery and future economic development;

**NOW, THEREFORE, BE IT RESOLVED**, that the Jefferson County Commission hereby Finds, Determines and Concludes that it is in the best interest of the County to authorize the filing of a petition for relief under Chapter 9 of the Bankruptcy Code on behalf of and in the name of the County;

**BE IT FURTHER RESOLVED** by the Jefferson County Commission that the President is hereby authorized and directed to execute a petition for relief under Chapter 9 of the Bankruptcy Code on behalf of and in the name of the County and is further authorized to execute, upon the advice of the County Attorney, such other motions, applications, certifications, forms, schedules and documents as are or may become necessary to commence and prosecute a case and to complete and fully discharge the rights and duties of the County under Chapter 9 of the Bankruptcy Code;

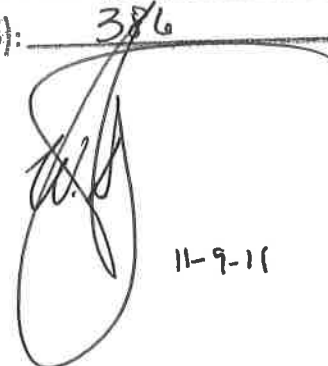
**BE IT FURTHER RESOLVED** by the Jefferson County Commission that counsel for the County may file the Chapter 9 petition with the United States Bankruptcy Court for the Northern District of Alabama upon execution of such petition by the President;

**BE IT FURTHER RESOLVED** by the Jefferson County Commission that the County shall be authorized – pursuant to Alabama Act 45-248, as amended, the rules and regulations of the Personnel Board of Jefferson County promulgated thereunder, the ordinances, resolutions and administrative orders of the Jefferson County Commission implementing such rules and regulations, and applicable federal law, including Sections 903 and 904 of the Bankruptcy Code – to honor all pre-petition accrued obligations to current County employees for wages and salaries, including earned vacation, severance and sick leave pay and contributions to employee benefit plans;

**BE IT FURTHER RESOLVED** by the Jefferson County Commission that the County shall be authorized, pursuant to Section 904 of the Bankruptcy Code, to honor pre-petition and post-petition continuing obligations to trade vendors that have provided and continue to provide goods and services to the County in the ordinary course of business and according to the credit terms agreed to by such vendors and the County; and

**BE IT FURTHER RESOLVED** by the Jefferson County Commission that the President is hereby authorized to retain, upon the advice of the County Attorney, claims and noticing agents and other bankruptcy service providers.

APPROVED BY THE  
JEFFERSON COUNTY COMMISSION  
DATE: 11-9-11  
MINUTE BOOK: 162  
PAGE(S): 386



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## Schedule A

### Jefferson County, Alabama Sewer Revenue Warrants

#### Fixed Rate Warrants

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*Series 1997 A*

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**CUSIP**

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472682NV1  
472682NW9  
472682NX7  
472682MC4  
472682MD2

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*Series 2001 A*

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**CUSIP**

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472682JE4  
472682JF1  
472682JG9  
472682JH7  
472682JJ3  
472682JL8  
472682JM6  
472682JN4

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*Series 2003-B-8*

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**CUSIP**

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472682MNO  
472682MP5  
472682MQ3  
472682MR1  
472682MS9

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**Jefferson County, Alabama  
Sewer Revenue Warrants**

**Variable Rate Demand Warrants**

<i>Series 2002 A</i>	
CUSIP	Subseries
472682PU1	2002 A

<i>Series 2002 C</i>	
CUSIP	Subseries
472682PV9	2002 C-2
472682PW7	2002 C-3
472682PX5	2002 C-4
472682PY3	2002 C-6
472682PZ0	2002 C-7

<i>Series 2003 B</i>	
CUSIP	Subseries
472682QA4	2003 B-2
472682QB2	2003 B-3
472682QC0	2003 B-4
472682QD8	2003 B-5
472682QE6	2003 B-6
472682QF3	2003 B-7

**Auction Rate Warrants**

<i>Series 2002 C</i>	
CUSIP	Subseries
472682KA0	2002 C-1-A
472682KB8	2002 C-1-B
472682KC6	2002 C-1-C
472682KD4	2002 C-1-D
472682KH5	2002 C-5

<i>Series 2003 B</i>	
CUSIP	Subseries
472682LH4	2003 B-1-A
472682LJ0	2003 B-1-B
472682LK7	2003 B-1-C
472682LL5	2003 B-1-D
472682LM3	2003 B-1-E

<i>Series 2003 C</i>	
CUSIP	Subseries
472682NA7	2003 C-1
472682NB5	2003 C-2
472682NC3	2003 C-3
472682ND1	2003 C-4
472682NE9	2003 C-5
472682NF6	2003 C-6
472682NG4	2003 C-7
472682NH2	2003 C-8
472682NJ8	2003 C-9
472682NK5	2003 C-10

**Jefferson County, Alabama  
General Obligation Warrants**

**Fixed Rate Warrants**

*Series 2003-A*

CUSIP

472628PG5  
472628PH3  
472628PJ9  
472628PK6  
472628PL4  
472628PM2

*Series 2004-A*

CUSIP

472628PR1  
472628PS9  
472628PT7  
472628PU4  
472628PV2  
472628PW0  
472628PX8  
472628PY6  
472628PZ3  
472628QA7  
472628QB5  
472628QC3  
472628QD1

**Variable Rate Demand Warrants**

*Series 2001-B*

CUSIP

472628NS1

[Continued on following page]

**Jefferson County, Alabama  
Limited Obligation School Warrants**

**Fixed Rate**

<i>Series 2004-A</i>	
CUSIP	
472653AF1	
472653AG9	
472653AH7	
472653AJ3	
472653AK0	
472653AL8	
472653AM6	
472653AN4	
472653AP9	
472653AQ7	
472653AR5	
472653AS3	
472653AT1	
472653AU8	

**Auction Rate Warrants**

<i>Series 2005-A</i>		
CUSIP	Subseries	
472653BA1	2005-A-1	
472653BB9	2005-A-2	
472653BC7	2005-A-3	
472653BD5	2005-A-4	

**Variable Rate Demand Warrants**

<i>Series 2005-B</i>	
CUSIP	
472653BE3	

[Continued on following page]



**Alabama Water Pollution Control Authority**

**Revolving Fund Loan Refunding Bonds**

*Series 2003-B*

CUSIP

010653QW6

010653QX4

010653QY2

010653QZ9

010653RA3

**Jefferson County Public Building Authority**

**Lease Revenue Warrants**

*Series 2006*

CUSIP

47267PAE3

47267PAF0

47267PAG8

47267PAH6

47267PAJ2

47267PAK9

47267PAL7

47267PAM5

47267PAN3

47267PAP8

47267PAQ6