

AFFIDAVIT OF MACAROY UNDERWOOD

BEFORE ME, a Notary Public in and for the County of Jefferson, State of Alabama, personally appeared Macaroy Underwood, who is known to me and being by me first duly sworn, deposes and says:

1. My name is Macaroy Underwood. I am employed as the General Manager of The Water Works and Sewer Board of the City of Birmingham (the "Water Works Board"). I am over twenty-one (21) years of age and I am a resident citizen of the State of Alabama. I have personal knowledge of the matters set forth in this affidavit.

2. Attached hereto as Exhibit "A" is a true and correct copy of the Escrow Trust Agreement between The Water Works and Sewer Board of the City of Birmingham and AmSouth Bank N.A, dated as of December 1, 1985 ("the "1985 Trust Agreement").

3. The 1985 Trust Agreement was entered into in part to establish an escrow fund to refund and defease various prior revenue bonds both issued and assumed by the Water Works Board in various transactions.

4. Among the bonds issued by the Water Works Board which the attached 1985 Trust Agreement refunded and defeased are the following:

- a. Water Supply Revenue Bonds, Series D dated as of April 1, 1962, in the principal amount outstanding of \$161,000;
- b. Water Supply Revenue Bonds, Series E dated as of July 1, 1968, in the principal amount outstanding of \$61,000;

- c. Water Supply Revenue Bonds, Series F dated as of January 1, 1971, in the principal amount outstanding of \$1,070,000;
- d. Water Supply Revenue Bonds, Series G dated as of July 1, 1973, in the principal amount outstanding of \$1,360,000;
- e. Water Supply Revenue Bonds, Series H dated as of January 1, 1975, in the principal amount outstanding of \$4,050,000;
- f. Water Supply Revenue Bonds, Series I dated as of July 1, 1976, in the principal amount outstanding of \$4,050,000;
- g. Water Supply Revenue Bonds, Series J dated as of January 1, 1977, in the principal amount outstanding of \$5,880,000;
- h. Water Supply Revenue Bonds, Series K dated as of July 1, 1978, in the principal amount outstanding of \$6,400,000;
- i. Water Supply Revenue Bonds, Series L dated as of November 1, 1979, in the principal amount outstanding of \$6,520,000; and
- j. Water Supply Revenue Bonds, Series M dated as of November 1, 1984, in the principal amount outstanding of \$10,000,000.

5. Among the bonds assumed by the Water Works Board which the attached 1985 Escrow Trust Agreement refunded and defeased are the following:

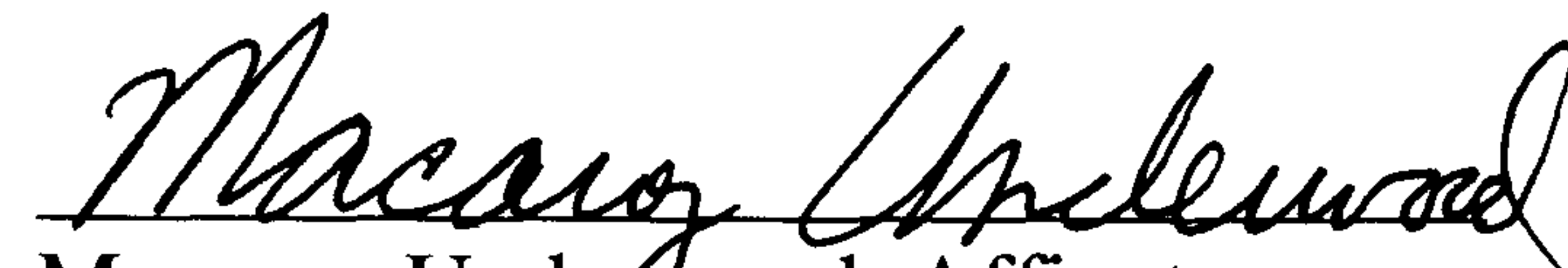
- a. Bonds issued under that certain Indenture dated as of November 1, 1964, between Improvement Authority of Rocky Ridge and Patton's Chapel and City National Bank of Birmingham, then outstanding in the principal amount of \$243,000;

- b. Bonds issued under that certain Indenture dated as of August 1, 1958, between The Water Works Board of the Town of Fultondale and Exchange-Security Bank, then outstanding in the principal amount of \$183,000;
- c. Bonds issued under that certain Mortgage and Deed of Trust dated as of March 1, 1966, between The Utilities Board of the Town of Adamsville, Alabama and Covington County Bank, then outstanding in the principal amount of \$373,000;
- d. Bonds issued under those certain resolutions of the Board of Directors of the Mount Olive Water Authority dated October 3, 1966, and June 24, 1970, then outstanding in the principal amounts of \$200,000 and \$40,000;
- e. Bonds issued under that certain Mortgage Indenture and Deed of Trust dated June 1, 1967, between Chalkville-Clay Water Authority of Jefferson County and Exchange Security Bank, then outstanding in the principal amount of \$660,000; and
- f. Bonds issued under that certain ordinance adopted by the Town of Whites Chapel on April 3, 1964, then outstanding in the principal amount of \$33,000.

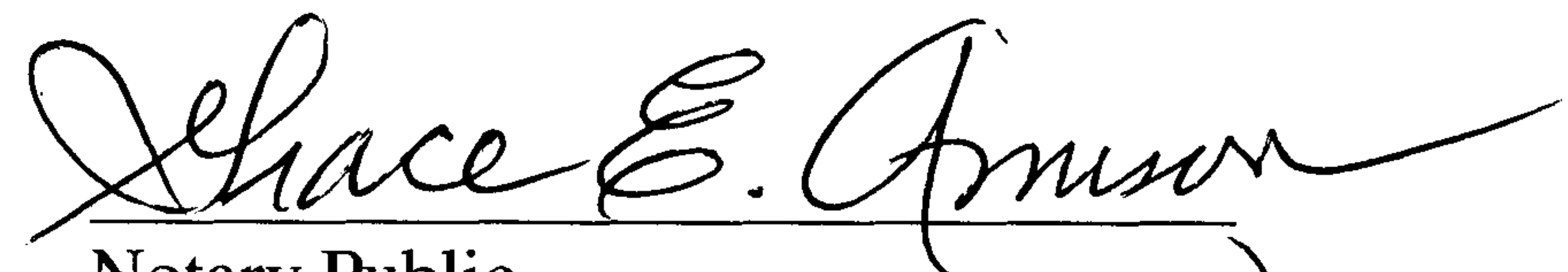
6. Contemporaneously with the execution of the 1985 Trust Agreement, the Water Works Board issued its Water Revenue Refunding Bonds, Series 1985, in the aggregate principal amount of \$36,395,000 (the "Series 1985 Bonds") for the purpose, among others, of providing a

portion of the moneys needed to refund and defease the bonds set out in paragraphs 4 and 5 herein.

7. Upon execution of the attached Escrow Trust Agreement, all of the bonds referenced in paragraphs 4 and 5 herein, were legally refunded and defeased.


Macaroy Underwood, Affiant

Sworn to before me and subscribed in my presence this 13th day of September, 2006.


Notary Public
My commission expires: 5-31-10

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: May 31, 2010
BONDED THRU NOTARY PUBLIC UNDERWRITERS



20060920000467870 4/62 \$194.00
Shelby Cnty Judge of Probate, AL
09/20/2006 03:20:50PM FILED/CERT

Exhibit A


20060920000467870 5/62 \$194.00
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09/20/2006 03:20:50PM FILED/CERT

(17)

ESCROW TRUST AGREEMENT

between

THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM

and

AMSOUTH BANK N.A.

Dated as of December 1, 1985



20060920000467870 6/62 \$194.00
Shelby Cnty Judge of Probate, AL
09/20/2006 03:20:50PM FILED/CERT

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to

ESCROW TRUST AGREEMENT

between

THE WATER WORKS BOARD OF THE
CITY OF BIRMINGHAM

and

AMSOUTH BANK N.A.

dated as of December 1, 1985

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ESCROW TRUST AGREEMENT between **THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM**, a public corporation existing under the laws of the State of Alabama, party of the first part (herein called the "Board"), and **AMSOUTH BANK N.A.**, a national banking association having its principal office in the City of Birmingham, Alabama, party of the second part (herein called the "Escrow Trustee");

RECITALS

The Board has heretofore issued its Water Supply Revenue Bonds, Series D through M, which are now outstanding in various principal amounts. The dates of each series and the respective outstanding principal amounts thereof, including outstanding principal amounts thereof which have been called for redemption by the Board but which have not been paid, are as follows:

<u>Series Designation</u>	<u>Date of Series</u>	<u>Principal Amount Outstanding</u>
D	April 1, 1962	161,000
E	July 1, 1968	61,000
F	January 1, 1971	1,070,000
G	July 1, 1973	1,360,000
H	January 1, 1975	4,050,000
I	July 1, 1976	4,050,000
J	January 1, 1977	5,880,000
K	July 1, 1978	6,400,000
L	November 1, 1979	6,520,000
M	November 1, 1984	10,000,000

(said outstanding Water Supply Revenue Bonds being herein called the "Refunded Water Supply Revenue Bonds").

In addition, the Board has assumed the payment of bonds issued and outstanding under and pursuant to (i) that certain Indenture dated as of November 1, 1964, between Improvement Authority of Rocky Ridge and Patton's Chapel and City National Bank of Birmingham now outstanding in the principal amount of \$243,000, (ii) that certain Indenture dated as of August 1, 1958, between The Water Works Board of the Town of Fultondale and Exchange-Security Bank now outstanding in the principal amount of \$183,000, (iii) that certain Mortgage and Deed of Trust dated as of March 1, 1966, between The Utilities Board of the Town of Adamsville, Alabama and Covington County Bank now outstanding in the principal amount of \$373,000, (iv) those certain resolutions of the Board of Directors of the Mount Olive Water Authority dated October 3, 1966, and June 24, 1970, authorizing the issuance of revenue bonds in the aggregate principal amounts of \$278,000 and \$64,000, respectively, that are now outstanding in the principal amounts of \$200,000 and \$40,000, respectively, (v) that certain Mortgage Indenture and Deed of Trust dated June 1, 1967, between Chalkville-Clay Water Authority of Jefferson County and Exchange

Security Bank now outstanding in the principal amount of \$660,000, and (vi) that certain ordinance adopted by the Town of Whites Chapel on April 3, 1964, authorizing the issuance of revenue bonds in the aggregate principal amount of \$62,000 that are now outstanding in the principal amount of \$33,000 (all of such assumed bonds being herein called the "Refunded Assumed Bonds").

Contemporaneously with the delivery of this Escrow Trust Agreement, the Board is issuing its Water Revenue Refunding Bonds, Series 1985, in the aggregate principal amount of \$36,395,000 (herein called the "Series 1985 Bonds") for the purpose, among others, of providing a portion of the moneys needed to refund the Refunded Water Supply Revenue Bonds and the Refunded Assumed Bonds (which are herein together called the "Refunded Bonds"). The Board is refunding the Refunded Bonds in order to achieve the objectives of (i) consolidating all indebtedness payable from the revenues of its water system into a single issue of obligations represented by the Series 1985 Bonds, (ii) eliminating or modifying certain restrictive covenants contained in the indenture applicable to the Refunded Water Supply Revenue Bonds, and (iii) achieving greater flexibility in financing the future expansion and improvement of the Board's water supply and distribution system.

A portion of the proceeds from the Series 1985 Bonds, as well as certain revenues of the Board held in various existing funds, will be used to purchase United States Treasury obligations which will be held in an escrow fund (herein called the "Escrow Fund") to be established pursuant to this Escrow Trust Agreement that will provide for the payment, redemption and retirement of the Refunded Bonds. The Escrow Fund will consist of two accounts, namely, the Restricted Account and the Unrestricted Account, and these accounts will contain United States Treasury obligations that will be payable at such times and in such amounts as, when added to the cash (if any) initially deposited in the said accounts, will provide moneys sufficient to pay, when due, the principal of and interest and premium (if any) on the Refunded Bonds; provided, however, that moneys and investments held in the Unrestricted Account shall be used only to pay principal of and interest and premium (if any) on Series D, E, F, G, H, I and J of the Refunded Water Supply Revenue Bonds and principal of and interest and premium (if any) on the Refunded Assumed Bonds.

The Board and the Escrow Trustee are entering into this Escrow Trust Agreement in order to establish the Escrow Fund for the payment of the various issues of the Refunded Bonds, all as summarized above and as more particularly provided in the succeeding provisions hereof.

NOW, THEREFORE, THIS ESCROW TRUST AGREEMENT

WITNESSETH:

That in consideration of the respective representations, acknowledgments and agreements herein contained, the parties hereto agree as follows:

the sale or other conversion into cash of investments theretofore constituting Escrow Fund Basic Investments or that may be substituted by the Board for investments theretofore constituting Escrow Fund Basic Investments.

"Escrow Fund Investments" means (i) the Escrow Fund Basic Investments and (ii) any Supplemental Investments at the time held in either account of the Escrow Fund.

"Escrow Trustee" means (i) the party of the second part hereto and its successors and assigns, and (ii) any banking corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Federal Obligations" means (i) direct obligations of the United States of America and (ii) obligations payment of the principal of and the interest on which is unconditionally guaranteed by the United States of America.

"Indenture" means that certain Indenture of Trust dated as of December 1, 1985, between the Board and the Trustee, as amended and supplemented and in force and effect from time to time.

"Initial Restricted Account Investments" means those Federal Obligations that are described in Exhibit D attached hereto and made a part hereof.

"Initial Unrestricted Account Investments" means those Federal Obligations that are described in Exhibit C attached hereto and made a part hereof.

"Minimum Required Escrow Fund Balance" means the minimum Escrow Fund Balance, determined in accordance with the provisions of Section 3.5 hereof, that is required to be maintained in the Escrow Fund as of the conclusion of business on each Refunded Bonds Payment Date until the full payment and retirement of the Refunded Bonds, it being hereby provided that the Minimum Required Escrow Fund Balance for each Refunded Bonds Payment Date shall be established as follows:

(i) if the Escrow Fund Basic Investments are not rearranged or restructured pursuant to the provisions of Section 3.4 hereof, the Minimum Required Escrow Fund Balance for each Refunded Bonds Payment Date shall be the amount so designated for each such date in the rightmost column of Exhibit F which is attached hereto and made a part hereof; and

(ii) in the event that a rearrangement or restructuring of the Escrow Fund Basic Investments is undertaken pursuant to the provisions of Section 3.4 hereof, the Minimum Required Escrow Fund Balance for each Refunded Bonds Payment Date occurring after such rearrangement or restructuring shall be as designated in the schedule of new balances required by the provisions of said Section 3.4 to be provided in connection with such rearrangement or restructuring.

"Qualified Tax-Exempt Obligations" means any obligations, whether general or limited, of any state of the United States of America or of any political

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 **Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used herein, shall be given the following respective interpretations:

"Administrative Costs" means "administrative costs" within the meaning of United States Treasury Regulations §1.103-15(b)(1)(v), including (i) the reasonable fees and expenses of the Refunded Bonds Paying Agents in connection with the payment of the Refunded Bonds, (ii) 85.823% (viz., the percentage of the Series 1985 Bonds issued to refund the Refunded Bonds) of the reasonable fees and expenses of the Trustee in connection with the payment of the Series 1985 Bonds, and (iii) the reasonable fees and expenses of the Escrow Trustee in connection with services performed under this Escrow Trust Agreement.

"Board" means the party of the first part hereto and its successors and assigns.

"Bond Counsel" means either Haskell Slaughter Young & Lewis, Professional Association, Birmingham, Alabama, the law firm that served as Special Tax Counsel in connection with the issuance of the Series 1985 Bonds, or any other attorney, or firm of attorneys, (i) who are acceptable to the Board, to the Escrow Trustee and to the said Haskell Slaughter Young & Lewis, Professional Association, or any successor firm thereof, and (ii) whose opinions respecting the legality or validity of debt securities issued by or on behalf of states or political subdivisions thereof are nationally recognized and accepted.

"Code" means the Internal Revenue Code of 1954, as amended, or successor federal tax law at the time in force and effect.

"Directors" means the Board of Directors of the Board.

"Escrow Fund" means the Escrow Fund (including both accounts constituting such fund) created in Section 3.1 hereof.

"Escrow Fund Balance" means, as of the time of determination thereof, the sum of (i) all uninvested moneys then held in each account of the Escrow Fund and (ii) the net amount of cash that can be obtained from the immediate sale or other conversion into cash of all Supplemental Investments held in each account of the Escrow Fund.

"Escrow Fund Basic Investments" means (i) the Initial Unrestricted Account Investments, (ii) the Initial Restricted Account Investments, (iii) the Restricted Account Subsequent Basic Investments, and (iv) in the case of any rearrangement or restructuring of Escrow Fund Basic Investments undertaken in accordance with the provisions of Section 3.4 hereof, any Federal Obligations constituting new or additional Escrow Fund Basic Investments that may be acquired with additional moneys provided by the Board or with all or part of the proceeds of

subdivision or instrumentality of any such state or political subdivision thereof (i) which are rated not less favorably than AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Service, Inc., (ii) the payment of the full amount of the principal of and interest on which is either unconditionally guaranteed by the United States of America or is to be derived from payments of principal of or interest on Federal Obligations held in an irrevocable trust fund, and (iii) the interest on which is exempt from federal income taxation in the opinion of Bond Counsel.

"Refunded Assumed Bonds" means those bonds which have been assumed by the Board and which are issued and outstanding under and pursuant to (i) that certain Indenture dated as of November 1, 1964, between Improvement Authority of Rocky Ridge and Patton's Chapel and City National Bank of Birmingham now outstanding in the principal amount of \$243,000, (ii) that certain Indenture dated as of August 1, 1958, between The Water Works Board of the Town of Fultondale and Exchange-Security Bank now outstanding in the principal amount of \$183,000, (iii) that certain Mortgage and Deed of Trust dated as of March 1, 1966, between The Utilities Board of the Town of Adamsville, Alabama and Covington County Bank now outstanding in the principal amount of \$373,000, (iv) those certain resolutions of the Board of Directors of the Mount Olive Water Authority dated October 3, 1966, and June 24, 1970, authorizing the issuance of revenue bonds in the aggregate principal amounts of \$278,000 and \$64,000, respectively, that are now outstanding in the principal amounts of \$200,000 and \$40,000, respectively, (v) that certain Mortgage Indenture and Deed of Trust dated June 1, 1967, between Chalkville-Clay Water Authority of Jefferson County and Exchange Security Bank now outstanding in the principal amount of \$660,000, and (vi) that certain ordinance adopted by the Town of Whites Chapel, Alabama on April 3, 1964, authorizing the issuance of revenue bonds in the aggregate principal amount of \$62,000 that are now outstanding in the principal amount of \$33,000.

"Refunded Bonds" means the Refunded Water Supply Revenue Bonds and the Refunded Assumed Bonds.

"Refunded Bonds Paying Agent", when used with reference to the Refunded Water Supply Revenue Bonds, means AmSouth Bank N.A. (formerly known as The First National Bank of Birmingham), in its capacity as the trustee under the Refunded Water Supply Revenue Bonds Indenture, together with its successors in trust thereunder, and when used with reference to an issue of Refunded Assumed Bonds, means the party that is specified as the paying agent of such issue in Section 2.1 hereof, together with its successors as paying agent under the documents or proceedings applicable to such issue.

"Refunded Bonds Payment Date" means any date on which principal of or interest on any of the Refunded Bonds is due and payable, or if such date is not a day on which banks in the State of Alabama are open for business, then the next succeeding business day.

"Refunded Water Supply Revenue Bonds" means the Board's outstanding Water Supply Revenue Bonds, Series D through M, which are now outstanding in various principal amounts. The dates of each series of the Refunded Water Supply Revenue Bonds and the respective outstanding principal amounts thereof, including outstanding principal amounts thereof which have been called for redemption by the Board but which have not been paid, are as follows:

<u>Series Designation</u>	<u>Date of Series</u>	<u>Principal Amount Outstanding as of December 30, 1985</u>
D	April 1, 1962	161,000
E	July 1, 1968	61,000
F	January 1, 1971	1,070,000
G	July 1, 1973	1,360,000
H	January 1, 1975	4,050,000
I	July 1, 1976	4,050,000
J	January 1, 1977	5,880,000
K	July 1, 1978	6,400,000
L	November 1, 1979	6,520,000
M	November 1, 1984	10,000,000

"Refunded Water Supply Revenue Bonds Indenture" means that certain Indenture dated as of July 1, 1951, between the Board and AmSouth Bank, N.A. (formerly known as The First National Bank of Birmingham), as amended and supplemented by fifteen supplemental indentures between the Board and said AmSouth Bank N.A. dated respectively as of July 9, 1951, March 1, 1952, January 1, 1954, April 1, 1959, April 1, 1962, July 1, 1968, October 1, 1968, January 1, 1971, July 1, 1973, January 1, 1975, July 1, 1976, January 1, 1977, July 1, 1978, November 1, 1979 and November 1, 1984, and supplemental agreements between the Board and the said AmSouth Bank N.A. dated respectively June 13, 1966 and March 19, 1970.

"Restricted Account" means the Restricted Account of the Escrow Fund.

"Restricted Account Investments" means (i) the Initial Restricted Account Investments, (ii) the Restricted Account Subsequent Basic Investments, and (iii) any other Escrow Fund Investments that may at any time form a part of the Restricted Account in accordance with the provisions hereof, provided that "cash" not constituting an "acquired obligation" within the meaning of United States Treasury Regulation §1.103-13(b)(4)(iii) shall not be deemed to be a Restricted Account Investment.

"Restricted Account Subsequent Basic Investments" means any Subsequent Basic Investments required by the provisions hereof to be acquired as part of the Restricted Amount.

"Series 1985 Bonds" means the Water Revenue Refunding Bonds, Series 1985, of the Board issued contemporaneously with the delivery of this Escrow Trust Agreement in the aggregate principal amount of \$36,395,000.

"Series K-M Bonds" means Series K, L and M of the Refunded Water Supply Revenue Bonds.

"Series K-M Payment Date" means any date on which principal of or interest on any of the Series K-M Bonds is due and payable, or if such date is not a day on which banks in the State of Alabama are open for business, then the next succeeding business day.

"Subsequent Basic Investments" means any United States Treasury obligations -- State and Local Government Series which have a Yield of zero percent per annum and which from time to time, subsequent to the effective date of this Escrow Trust Agreement (or, in the case of any rearrangement or restructuring of the Escrow Fund Basic Investments pursuant to the provisions of Section 3.4 hereof, subsequent to the date of completion of such rearrangement or restructuring), are required by the provisions hereof, or of any amendment hereto, to be acquired by the Escrow Trustee as part of the Escrow Fund.

"Supplemental Investments", when used with reference to either account in the Escrow Fund, means any investments made with moneys in such account pursuant to the provisions of Section 4.1 hereof, which investments shall consist of any of the following: (i) Federal Obligations; (ii) Treasury Receipts; (iii) Qualified Tax-Exempt Obligations; (iv) any time deposit with (including time deposits subject to an investment agreement), or any certificate of deposit by, or any acceptance by, any bank which is organized under the laws of the United States of America or any state thereof and deposits in which are insured, in whole or in part, by the Federal Deposit Insurance Corporation or any department, agency or instrumentality of the United States of America that may succeed to the functions of such corporation; (v) any direct, general obligation of, or any obligation payment of the principal of and interest on which is unconditionally guaranteed by, any of the following agencies or corporations: the Export-Import Bank of the United States, the Federal Farm Credit Bank, the Federal Land Banks, the Federal Intermediate Credit Banks, the Banks for Cooperatives, the Federal Home Loan Banks (including any joint obligations of any two or more of the foregoing agencies), the Federal Home Loan Mortgage Corporation (including participation certificates thereof), the Government National Mortgage Association, the Tennessee Valley Authority, the Federal Reimbursement Bank, the Farmers Home Administration, or any other agency or instrumentality of the United States of America; (vi) any repurchase agreement with any bank which is a member of the Federal Deposit Insurance Corporation (or any department, agency or instrumentality of the United States of America that may succeed to the functions of such corporation) or with any government bond dealer reporting to and trading with the Federal Reserve Bank of New York, provided that such agreement is secured by a perfected security interest in obligations or securities described in clauses (i), (ii), (iii), (iv) and (v) of this definition; and (vii) any share or other investment unit representing a beneficial interest in any money market fund which is registered under the Investment Company Act of 1940, as from time to time amended (or successor provision of federal law), provided that the investment portfolio of such money market fund consists of obligations or securities described in clauses (i), (ii), (iii), (iv), (v) and (vi) of this definition.

"Treasury Receipts" means custodial receipts evidencing ownership in future principal or interest payments, or both, with respect to United States Treasury obligations that have been deposited with a custodian pursuant to a custody agreement which provides for the United States Treasury obligations underlying such custodial receipts to be held in a separate account and for all payments of principal and interest received by such custodian with respect to such underlying obligations to be immediately paid to the holders of such custodial receipts in accordance with their respective ownership interests in such underlying obligations, provided that (i) the custodian issuing such custodial receipts shall be a bank that is acceptable to the Escrow Trustee, that is organized under the laws of the United States of



America or any state thereof, and that, at the time of the issuance of such custodial receipts, shall have capital, surplus and undivided profits in excess of \$100,000,000 and (ii) the custody agreement pursuant to which such custodial receipts are issued shall be acceptable to Bond Counsel.

"Trustee" means AmSouth Bank N.A., as trustee under the Indenture, together with its successors in trust thereunder.

"Unrestricted Account" means the Unrestricted Account of the Escrow Fund.

"Unrestricted Account Investments" means (i) the Initial Unrestricted Account Investments and (ii) any other Escrow Fund Investments that may at any time form a part of the Unrestricted Account in accordance with the provisions hereof.

"Unrestricted Refunded Bonds" means Refunded Bonds other than Series K-M Bonds.

"Unrestricted Refunded Bonds Payment Date" means any date on which principal of or interest on any of the Unrestricted Refunded Bonds is due and payable, or if such date is not a day on which banks in the State of Alabama are open for business, then the next succeeding business day.

"Yield", when used with reference to the Series 1985 Bonds, any Federal Obligations or any other debt obligations, means the "yield" on such bonds or obligations, as the case may be, computed in accordance with United States Treasury Regulations §1.103-13 or other appropriate regulations under the Code; provided, however, that pending any change in law negating or affecting the resolution of State of Washington v. Commissioner of Internal Revenue, 77 T.C. 656, aff'd, 692 F.2d 128 (D.C. Cir. 1982) or the promulgation of any regulations under Section 103(c) of the Code addressing the issues raised in that case, the Yield on the Series 1985 Bonds shall be computed for purposes of this Escrow Trust Agreement by taking into account reasonable administrative costs incurred in issuing the Series 1985 Bonds, including underwriting spread, as approved by the Internal Revenue Service in IRS Information Release 83-41 dated March 2, 1983.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinafter," "hereinafter" and other equivalent words refer to this Escrow Trust Agreement as an entirety and not solely to the particular portion in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II

REPRESENTATIONS

Section 2.1 **Representations by the Board.** The Board makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series D, and they are now outstanding in the aggregate principal amount of \$161,000. The Board's outstanding Water Supply Revenue Bonds, Series D, bear interest (payable semiannually on April 1 and October 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
April 1, 1988	\$145,000	3.25%
April 1, 1989	16,000	3.25

Under the Refunded Water Supply Revenue Bonds Indenture, the Board will, pursuant hereto, call for redemption on April 1, 1986, all of its outstanding Water Supply Revenue Bonds, Series D, at a redemption price of 100.50% of the principal thereof in the case of the 1988 maturity and 100.75% of the principal thereof in the case of the 1989 maturity.

(b) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series E, and they are now outstanding in the aggregate principal amount of \$61,000. The Board's outstanding Water Supply Revenue Bonds, Series E, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
July 1, 1986	\$ 9,000	4.50%
July 1, 1988	52,000	4.50

Under the Refunded Water Supply Revenue Bonds Indenture, the Board has heretofore called for redemption on January 1, 1986 all of its outstanding Water Supply Revenue Bonds, Series E, at a redemption price of 100.25% of the principal thereof in the case of the 1986 maturity and 100.75% of the principal thereof in the case of the 1988 maturity.

(c) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series F, and they are now outstanding in the aggregate

principal amount of \$1,070,000. The Board's outstanding Water Supply Revenue Bonds, Series F, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
July 1, 1986	\$365,000	5.25%
July 1, 1987	205,000	5.25
July 1, 1988	150,000	5.25
July 1, 1989	140,000	5.25
July 1, 1990	135,000	5.25
July 1, 1991	75,000	5.50

Under the Refunded Water Supply Revenue Bonds Indenture, the Board has heretofore called for redemption on January 1, 1986, outstanding Water Supply Revenue Bonds, Series F, in the aggregate principal amount of \$545,000 consisting of the following principal amounts of the indicated maturities to be redeemed at the indicated redemption prices expressed as a percentage of the principal amount to be redeemed: \$45,000 principal amount of the 1987 maturity at a redemption price of 101.50%; \$150,000 principal amount of the 1988 maturity at a redemption price of 102.50%; \$140,000 principal amount of the 1989 maturity at a redemption price of 103.50%; \$135,000 principal amount of the 1990 maturity at a redemption price of 104.50%; and \$75,000 principal amount of the 1991 maturity at a redemption price of 105.50%.

(d) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series G, and they are now outstanding in the aggregate principal amount of \$1,360,000. The Board's outstanding Water Supply Revenue Bonds, Series G, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
July 1, 1986	\$150,000	5.50%
July 1, 1987	225,000	5.50
July 1, 1988	225,000	5.50
July 1, 1989	195,000	5.50
July 1, 1990	225,000	5.50
July 1, 1991	300,000	5.50
July 1, 1992	40,000	5.60

Under the Refunded Water Supply Revenue Bonds Indenture, the Board has heretofore called for redemption outstanding Water Supply Revenue Bonds, Series G, in the aggregate principal amount of \$800,000 consisting of the following principal amounts of the indicated maturities to be

redeemed at the indicated redemption prices expressed as a percentage of the principal amount to be redeemed: \$40,000 principal amount of the 1988 maturity at a redemption price of 102.50%; \$195,000 principal amount of the 1989 maturity at a redemption price of 103.50%; \$225,000 principal amount of the 1990 maturity at a redemption price of 104.50%; \$300,000 principal amount of the 1991 maturity at a redemption price of 105.50%; and \$40,000 principal amount of the 1992 maturity at a redemption price of 105.60%.

(e) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series H, and they are now outstanding in the aggregate principal amount of \$4,050,000. The Board's outstanding Water Supply Revenue Bonds, Series H, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity or Redemption Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
January 1, 1986	\$140,000	7.60%
January 1, 1987	330,000	7.60
January 1, 1988	330,000	7.30
January 1, 1989	330,000	7.30
January 1, 1990	345,000	7.30
January 1, 1991	345,000	7.30
January 1, 1992	420,000	7.30
January 1, 1993	420,000	7.30
January 1, 1994	380,000	7.30
January 1, 1995	420,000	7.30
January 1, 1996	240,000	7.30
January 1, 2000	350,000	6.00

(f) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series I, and they are now outstanding in the aggregate principal amount of \$4,050,000. The Board's outstanding Water Supply Revenue Bonds, Series I, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity or Redemption Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
July 1, 1986	\$190,000	6.40%
July 1, 1987	190,000	6.40
July 1, 1988	190,000	6.40
July 1, 1989	190,000	6.10
July 1, 1990	190,000	6.10
July 1, 1991	250,000	6.10
July 1, 1992	285,000	6.10
July 1, 1993	285,000	6.10
July 1, 1994	285,000	6.25

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July 1, 1995	285,000	6.25
July 1, 1996	285,000	6.40
July 1, 1997	285,000	6.40
July 1, 1998	285,000	6.40
July 1, 1999	285,000	6.40
July 1, 2000	285,000	6.40
July 1, 2001	285,000	4.00

(g) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series J, and they are now outstanding in the aggregate principal amount of \$5,880,000. The Board's outstanding Water Supply Revenue Bonds, Series J, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
January 1, 1986	\$140,000	6.50%
January 1, 1987	140,000	6.50
January 1, 1988	140,000	6.50
January 1, 1989	330,000	6.50
January 1, 1990	330,000	6.00
January 1, 1991	330,000	5.40
January 1, 1992	345,000	5.40
January 1, 1993	345,000	5.40
January 1, 1994	420,000	5.40
January 1, 1995	420,000	5.40
January 1, 1996	420,000	5.50
January 1, 1997	420,000	5.50
January 1, 1998	420,000	5.50
January 1, 1999	420,000	5.50
January 1, 2000	420,000	5.50
January 1, 2001	420,000	5.50
January 1, 2002	420,000	3.50

(h) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series K, and they are now outstanding in the aggregate principal amount of \$6,400,000. The Board's outstanding Water Supply Revenue Bonds, Series K, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
July 1, 1986	\$120,000	5.50%
July 1, 1987	120,000	5.50
July 1, 1988	120,000	5.50
July 1, 1989	120,000	5.50

July 1, 1990	120,000	5.50
July 1, 1991	225,000	5.50
July 1, 1992	225,000	5.80
July 1, 1993	350,000	5.80
July 1, 1994	350,000	5.80
July 1, 1995	350,000	5.80
July 1, 1996	350,000	5.80
July 1, 1997	350,000	5.80
July 1, 1998	360,000	5.80
July 1, 1999	360,000	5.80
July 1, 2000	360,000	5.80
July 1, 2001	360,000	5.80
July 1, 2002	360,000	5.80
July 1, 2003	360,000	5.80
July 1, 2004	360,000	5.80
July 1, 2005	360,000	5.80
July 1, 2006	360,000	5.80
July 1, 2007	360,000	5.80

(i) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series L, and they are now outstanding in the aggregate principal amount of \$6,520,000. The Board's outstanding Water Supply Revenue Bonds, Series L, bear interest (payable semiannually on May 1 and November 1) and mature as follows:

<u>Maturity or Redemption Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
November 1, 1986	\$120,000	6.75%
November 1, 1987	120,000	6.75
November 1, 1988	120,000	6.75
November 1, 1989	120,000	6.75
November 1, 1990	120,000	6.75
November 1, 1991	120,000	6.75
November 1, 1992	225,000	6.75
November 1, 1993	225,000	6.75
November 1, 1994	350,000	6.75
November 1, 1995	350,000	6.75
November 1, 1996	350,000	6.75
November 1, 1997	350,000	6.75
November 1, 1998	350,000	6.75
November 1, 1999	360,000	6.80
November 1, 2000	360,000	6.80
November 1, 2001	360,000	6.90
November 1, 2002	360,000	6.90
November 1, 2003	360,000	7.00
November 1, 2004	360,000	7.00
November 1, 2005	360,000	7.00
November 1, 2006	360,000	7.00
November 1, 2007	360,000	7.00
November 1, 2008	360,000	7.00

(j) The Board has heretofore duly issued its Water Supply Revenue Bonds, Series M, and they are now outstanding in the aggregate principal amount of \$10,000,000. The Board's outstanding Water Supply Revenue Bonds, Series M, bear interest (payable semiannually on January 1 and July 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
January 1, 1986	\$200,000	10.10%
January 1, 1987	200,000	10.10
January 1, 1988	200,000	10.10
January 1, 1989	200,000	10.10
January 1, 1990	200,000	10.10
January 1, 1991	200,000	10.10
January 1, 1992	200,000	10.10
January 1, 1993	200,000	10.10
January 1, 1994	400,000	10.10
January 1, 1995	400,000	10.10
January 1, 1996	400,000	10.10
January 1, 1997	400,000	10.10
January 1, 1998	400,000	10.10
January 1, 1999	400,000	10.10
January 1, 2000	400,000	10.10
January 1, 2001	400,000	10.10
January 1, 2002	400,000	10.10
January 1, 2003	600,000	10.20
January 1, 2004	600,000	10.20
January 1, 2005	600,000	10.25
January 1, 2006	600,000	10.25
January 1, 2007	600,000	10.25
January 1, 2008	600,000	10.30
January 1, 2009	600,000	10.30
January 1, 2010	600,000	10.30

Under the Refunded Water Supply Revenue Bonds Indenture, the Board will, pursuant hereto, call for redemption on July 1, 1994, outstanding Water Supply Revenue Bonds, Series M, in the principal amount of \$6,800,000 consisting of the entire principal amount of the maturities for the years 1998 through 2010, inclusive, at a redemption price of 103% of the principal to be redeemed.

(k) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain Indenture dated as of November 1, 1964, between Improvement Authority of Rocky Ridge and Patton's Chapel and City National Bank of Birmingham now outstanding in the principal amount of \$243,000, the paying agent for which is Colonial Bank, the successor of City National Bank of Birmingham. Said bonds bear interest (payable semiannually on May 1 and November 1) and mature as follows:

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<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
November 1, 1986	\$ 23,000	4.25%
November 1, 1987	24,000	4.25
November 1, 1988	25,000	4.25
November 1, 1989	26,000	4.25
November 1, 1990	27,000	4.25
November 1, 1991	28,000	4.25
November 1, 1992	29,000	4.25
November 1, 1993	30,000	4.25
November 1, 1994	31,000	4.25

(l) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain Indenture dated as of August 1, 1958, between The Water Works Board of the Town of Fultondale and Exchange Security Bank now outstanding in the principal amount of \$183,000, the paying agent for which is Colonial Bank, the successor of City National Bank of Birmingham. Said bonds bear interest (payable semiannually on February 1 and August 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
August 1, 1986	\$ 38,000	4.250%
August 1, 1987	40,000	4.250
August 1, 1988	105,000	4.375

(m) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain Mortgage and Deed of Trust dated as of March 1, 1966, between The Utilities Board of the Town of Adamsville, Alabama, and Covington County Bank now outstanding in the principal amount of \$373,000, the paying agent for which is Covington County Bank of Andalusia, Alabama. Said bonds bear interest (payable semiannually on March 1 and September 1) and mature as follows:

<u>Maturity or Redemption Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
March 1, 1986	\$ 11,000	5.000%
March 1, 1987	11,000	5.000
March 1, 1988	12,000	5.000
March 1, 1989	12,000	5.000
March 1, 1990	13,000	5.000
March 1, 1991	14,000	5.000
March 1, 1992	14,000	5.125
March 1, 1993	15,000	5.125

March 1, 1994	15,000	5.125
March 1, 1995	16,000	5.125
March 1, 1996	17,000	5.125
March 1, 1997	18,000	5.125
March 1, 1998	19,000	5.125
March 1, 1999	20,000	5.125
March 1, 2000	20,000	5.125
March 1, 2001	21,000	5.125
March 1, 2002	23,000	5.125
March 1, 2003	24,000	5.125
March 1, 2004	25,000	5.125
March 1, 2005	26,000	5.125
March 1, 2006	27,000	5.125

(n) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain resolution of the Board of Directors of the Mount Olive Water Authority dated October 3, 1966, now outstanding in the principal amount of \$200,000, the paying agent for which is the Board. Said bonds bear interest (payable annually on January 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
January 1, 1986	\$ 6,000	4.00%
January 1, 1987	6,000	4.00
January 1, 1988	6,000	4.00
January 1, 1989	8,000	4.00
January 1, 1990	8,000	4.00
January 1, 1991	8,000	4.00
January 1, 1992	8,000	4.00
January 1, 1993	8,000	4.00
January 1, 1994	8,000	4.00
January 1, 1995	8,000	4.00
January 1, 1996	8,000	4.00
January 1, 1997	10,000	4.00
January 1, 1998	10,000	4.00
January 1, 1999	10,000	4.00
January 1, 2000	10,000	4.00
January 1, 2001	10,000	4.00
January 1, 2002	10,000	4.00
January 1, 2003	12,000	4.00
January 1, 2004	12,000	4.00
January 1, 2005	12,000	4.00
January 1, 2006	12,000	4.00
January 1, 2007	10,000	4.00

(o) The Board has heretofore assumed the payment of bonds

issued under and pursuant to that certain resolution of the Board of Directors of the Mount Olive Water Authority dated June 24, 1970, now outstanding in the principal amount of \$40,000, the paying agent for which is the Board. Said bonds bear interest (payable annually on January 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
January 1, 1986	\$ 2,000	5.00%
January 1, 1987	2,000	5.00
January 1, 1988	2,000	5.00
January 1, 1989	2,000	5.00
January 1, 1990	2,000	5.00
January 1, 1991	2,000	5.00
January 1, 1992	2,000	5.00
January 1, 1993	2,000	5.00
January 1, 1994	2,000	5.00
January 1, 1995	2,000	5.00
January 1, 1996	2,000	5.00
January 1, 1997	2,000	5.00
January 1, 1998	2,000	5.00
January 1, 1999	2,000	5.00
January 1, 2000	2,000	5.00
January 1, 2001	2,000	5.00
January 1, 2002	2,000	5.00
January 1, 2003	2,000	5.00
January 1, 2004	2,000	5.00
January 1, 2005	2,000	5.00

(p) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain Mortgage Indenture and Deed of Trust dated June 1, 1967, between Chalkville-Clay Water Authority of Jefferson County and Exchange Security Bank now outstanding in the principal amount of \$660,000, the paying agent for which is First Alabama Bank. Said bonds bear interest (payable semiannually on June 1 and December 1) and mature as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
June 1, 1986	\$ 30,000	4.75%
June 1, 1987	35,000	4.75
June 1, 1988	40,000	4.75
June 1, 1989	40,000	4.75
June 1, 1990	45,000	4.75
June 1, 1991	45,000	4.75
June 1, 1992	50,000	4.75

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June 1, 1993	55,000	4.75
June 1, 1994	60,000	4.75
June 1, 1995	60,000	4.75
June 1, 1996	65,000	4.75
June 1, 1997	65,000	4.75
June 1, 1998	70,000	4.75

(q) The Board has heretofore assumed the payment of bonds issued under and pursuant to that certain ordinance adopted by the Town of Whites Chapel on April 3, 1964, authorizing the issuance of revenue bonds in the aggregate principal amount of \$62,000 that are now outstanding in the principal amount of \$33,000, the paying agent for which is AmSouth Bank N.A. Said bonds bear interest (payable semi-annually on March 1 and September 1) and mature as follows:

<u>Maturity or Redemption Date</u>	<u>Principal Amount</u>	<u>Interest Rate (per annum)</u>
March 1, 1986	\$ 2,000	3.625%
March 1, 1987	2,000	3.625
March 1, 1988	2,000	3.625
March 1, 1989	2,000	3.625
March 1, 1990	2,000	3.625
March 1, 1991	2,000	3.625
March 1, 1992	3,000	3.625
March 1, 1993	3,000	3.625
March 1, 1994	3,000	3.625
March 1, 1995	3,000	3.625
March 1, 1996	3,000	3.625
March 1, 1997	3,000	3.625
March 1, 1998	3,000	3.625

(r) All series of the Refunded Water Supply Revenue Bonds were issued under the Refunded Water Supply Revenue Bonds Indenture and the Refunded Assumed Bonds were issued under the proceedings and documents described in the preceding paragraphs (k) through (q), inclusive. The Refunded Bonds and the semiannual interest coupons applicable thereto are payable at the principal office of the applicable Refunded Bonds Paying Agent, except that semiannual interest on the Water Supply Revenue Bonds, Series M, is payable by check or draft mailed to each owner thereof. The Refunded Bonds Paying Agents have been provided with sufficient moneys to pay all the respective Refunded Bonds and the interest thereon that have matured on or prior to December 30, 1985, and all such Refunded Bonds and coupons that have been presented for payment have been paid in full and cancelled and all interest thereon not evidenced by coupons has been paid. Out of moneys previously provided by the Board for the payment of those of the Refunded Bonds and the coupons applicable thereto maturing on or prior

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to December 30, 1985, the applicable Refunded Bonds Paying Agent retains a sum of moneys sufficient to pay all such Refunded Bonds and coupons not yet presented for payment.

(s) This Escrow Trust Agreement and the execution and delivery thereof on behalf of the Board have been duly authorized by all necessary action by the Directors, and this Escrow Trust Agreement has been duly executed and delivered on behalf of the Board and constitutes a valid and binding agreement of the Board.

(t) Based upon the information set forth in Exhibit A attached hereto and made a part hereof, the Board expects to receive "original proceeds" [as that term is defined in United States Treasury Regulation §1.103-13(b)(2)(i)] from the sale of the Series 1985 Bonds in an amount not less than \$35,538,348.02. The Board expects to use not less than 85.823% of the principal proceeds of the Series 1985 Bonds (excluding accrued interest) for the purpose of refunding the Refunded Bonds. One percent (1%) of such "original proceeds" of that portion of the Series 1985 Bonds issued to refund the Refunded Bonds will not be less than \$305,000 viz., $.01 \times .85823 \times \$35,538,348$, and this amount, further reduced by a contingency allowance of \$5,000 has been used to establish the benchmark of \$300,000 that is used in the third paragraph of Section 4.1 hereof to determine the aggregate amount of income that may be earned from Supplemental Investments acquired with moneys in the Restricted Account.

(u) The Yield on the Series 1985 Bonds is not less than 8.787983% per annum, compounded semiannually, as shown by the calculations set forth in Exhibit B attached hereto and made a part hereof.

Section 2.2 **Representations by the Escrow Trustee.** The Escrow Trustee, as the basis for the undertakings on its part herein contained, represents that it has the power to enter into this Escrow Trust Agreement and to accept and administer the trusts created hereby and has been duly authorized to do so by all necessary corporate action.

ARTICLE III

CREATION OF ESCROW FUND, RESTRUCTURING OF INVESTMENTS THEREIN AND APPLICATION OF MONEYS HELD THEREIN

Section 3.1 **Creation of Escrow Fund.** There is hereby created an irrevocable trust fund, designated the Escrow Fund, for the purpose of providing for the full payment of the principal of and interest on the Refunded Bonds. The Escrow Fund shall consist of two separate accounts, namely, the Restricted Account and the Unrestricted Account; provided that amounts and investments in the Unrestricted Account shall be used only to pay principal of and interest on the

Unrestricted Refunded Bonds. The Escrow Trustee shall be the depository, custodian and disbursing agent for both of the accounts constituting the Escrow Fund and shall hold and administer the Escrow Fund in accordance with the provisions hereof. Subject to the provisions of Sections 3.4 and 4.1 hereof, all moneys held in the Escrow Fund shall be applied by the Escrow Trustee solely as provided in Section 3.3 hereof.

The Restricted Account shall consist of the initial cash deposit into the Restricted Account made pursuant to Section 3.2 hereof, all Restricted Account Investments, the interest income from all Restricted Account Investments, the proceeds derived from the payment or other conversion into cash of any of the Restricted Account Investments, and all other moneys at any time deposited in the Restricted Account pursuant to the provisions hereof. As more particularly provided in Section 3.3 hereof, moneys held in the Restricted Account shall be applied as needed to the extent of the availability thereof for the payment of the principal of and interest on the Refunded Bonds.

The Unrestricted Account shall consist of all Unrestricted Account Investments, the interest income from all Unrestricted Account Investments, the proceeds derived from the payment or other conversion into cash of any of the Unrestricted Account Investments, and all other moneys at any time deposited in the Unrestricted Account pursuant to the provisions hereof. As more particularly provided in Section 3.3 hereof, moneys held in the Unrestricted Account shall be applied for the payment of the principal of and interest on the Unrestricted Refunded Bonds and only the Unrestricted Refunded Bonds to the extent that moneys for the payment of such principal and interest are not available from the Restricted Account.

Section 3.2 Initial Funding of Escrow Fund. Upon the delivery of this Escrow Trust Agreement, the following actions shall be taken by the Board and the Escrow Trustee:

(a) simultaneously with the delivery of this Escrow Trust Agreement, the Board will pay, or cause to be paid, to the Escrow Trustee, out of the proceeds derived from the sale of the Series 1985 Bonds, the sum of \$30,248,300.00, and upon the receipt of the said sum the Escrow Trustee will immediately apply the same to the purchase of the Initial Restricted Account Investments;

(b) pursuant to authorization contained in a resolution adopted by the Directors on December 10, 1985, providing for the issuance of the Series 1985 Bonds, the Escrow Trustee, in its capacity as trustee under the Refunded Water Supply Revenue Bonds Indenture, will set aside the sum of \$8,029,790.97 from moneys held in various trust funds under the Refunded Water Supply Revenue Bonds Indenture (excluding moneys held in the Debt Reserve Fund maintained under said indenture) and will, simultaneously with the delivery of this Escrow Trust Agreement, deposit \$3,016,090.63 of such sum into the Restricted Account and apply the balance of \$5,013,700.34 to the purchase of the Initial Unrestricted Account Investments;

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(c) as authorized by the aforesaid resolution adopted by the Directors on December 10, 1985, the Escrow Trustee will, simultaneously with the delivery of this Escrow Trust Agreement, transfer into the Debt Reserve Fund created under the Indenture all moneys and investments now held in any of (i) the Debt Reserve Fund heretofore maintained under the Refunded Water Supply Revenue Bonds Indenture and (ii) any debt service reserve funds for any issue of the Refunded Assumed Bonds of which the Escrow Trustee is the custodian and depository; and

(d) as promptly as possible following the delivery of this Escrow Trust Agreement, the Escrow Trustee will, as directed by the Board in the aforesaid resolution adopted by the Directors on December 10, 1985, apply all moneys which are not required for the Escrow Fund and which are held by the Escrow Trustee in one or more other capacities as trustee, custodian or paying agent for one or more series of the Refunded Bonds; provided that the Escrow Trustee, in any capacity as aforesaid, will retain all moneys held for the payment of any principal and interest that has heretofore matured or that has heretofore become due with respect to any of the Refunded Bonds for which it is the paying agent.

The Board represents, and the Escrow Trustee acknowledges, that moneys sufficient to pay, when due, the principal of and the interest on the Refunded Bonds will be provided by (i) the initial cash deposit of \$3,016,090.63 in the Restricted Account, (ii) the principal and interest maturing with respect to the Initial Restricted Account Investments, and (iii) the principal and interest maturing with respect to the Initial Unrestricted Account Investments, without any need for further investment of such cash deposit or the principal and interest maturing with respect to the Initial Restricted Account Investments or the Initial Unrestricted Account Investments.

Upon the delivery of this Escrow Trust Agreement and the initial funding of the Escrow Fund with the cash deposit and investments required by the preceding provisions of this section, the Board will have no further obligation to make any payments under the Refunded Water Supply Revenue Bonds Indenture in respect of the principal of and interest on Refunded Water Supply Revenue Bonds for so long as the principal of and interest on the Refunded Water Supply Revenue Bonds are paid from the Escrow Fund. Promptly following the delivery of this Escrow Trust Agreement, the Escrow Trustee will deliver such certificates and copies of documents, and give such other assurances, to the paying agents of all Refunded Bonds other than the Refunded Water Supply Revenue Bonds as shall be reasonably necessary to confirm to such paying agents the arrangements made hereby for the payment of the principal and interest maturing with respect to such Refunded Bonds on January 1, 1986, and thereafter, all to the end that the Board may suspend its obligations for further payments under the documents or proceedings pursuant to which such Refunded Bonds were respectively issued and that such paying agents may return to the Board, or apply as directed by the Board, all moneys and investments held under such documents and proceedings as security for the payment of such Refunded Bonds.

Section 3.3 Application of Moneys in Escrow Fund to Payment of the Refunded Bonds; Board to Make Up Any Deficiency. As and when the principal of and interest on the Escrow Fund Investments become due and payable, the Escrow Trustee will collect such principal and interest and deposit the same in the account of the Escrow Fund containing the investment with respect to which such principal and interest shall be payable. In the event that any moneys held in either account of the Escrow Fund shall be invested in Supplemental Investments pursuant to the provisions of Section 4.1 hereof, the moneys so invested shall be deemed available to make any payments required by the succeeding provisions of this section, and if any such Supplemental Investments do not mature on or before the date on which such payments are required to be made, such Supplemental Investments shall be sold or otherwise converted into cash to the extent necessary to provide moneys for such payments.

Moneys in the accounts of the Escrow Fund shall be withdrawn and applied by the Escrow Trustee for the purposes and to the extent specified below:

(a) on each Series K-M Payment Date until the Series K-M Bonds shall be paid in full, there shall be paid to each Refunded Bonds Paying Agent all moneys in the Restricted Account (to the full extent that such moneys may be available without sale or other conversion into cash of any of the Escrow Fund Basic Investments held in the Restricted Account) that shall be needed to pay, first, the interest (if any) due on each such date with respect to the Series K-M Bonds of which such Refunded Bonds Paying Agent is paying agent and, second, the principal and premium (if any) due with respect to the Series K-M Bonds of which such Refunded Bonds Paying Agent is paying agent that mature or are required to be redeemed on each such date;

(b) on each date on which Restricted Account Subsequent Basic Investments are required to be purchased pursuant to the provisions of Section 3.6 hereof, the Escrow Trustee shall, using moneys in the Restricted Account without sale or conversion into cash of any of the Escrow Fund Basic Investments held in such account, purchase the Restricted Account Subsequent Basic Investments which are required to be acquired pursuant to the provisions of said Section 3.6; and

(c) on each Unrestricted Refunded Bonds Payment Date until the Unrestricted Refunded Bonds shall be paid in full, and after all payments from the Restricted Account required by the preceding subparagraphs (a) and (b) shall have been made, there shall be paid to each Refunded Bonds Paying Agent all moneys in the Restricted Account (to the full extent that such moneys may be available without sale or other conversion into cash of any of the Escrow Fund Basic Investments held in the Restricted Account) that shall be needed to pay, first, the interest (if any) due on each such date with respect to the Unrestricted Refunded Bonds of which such Refunded Bonds Paying Agent is paying agent and, second, the principal and premium (if any) due with respect to any Unrestricted Refunded Bonds of which such Refunded Bonds Paying Agent is paying agent that mature or are required to be redeemed on each such date;

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(d) to the extent that moneys from the Restricted Account required to be applied pursuant to the preceding subparagraph (c) shall be insufficient to pay any principal, interest or premium maturing or otherwise required to be paid with respect to the Unrestricted Refunded Bonds on each Unrestricted Bonds Payment Date, on each such date there shall be paid to each Refunded Bonds Paying Agent, out of moneys in the Unrestricted Account, first, such amount as, when added to the amount (if any) paid from the Restricted Account on that date for the payment of interest on the Unrestricted Refunded Bonds of which such Refunded Bonds Paying Agent is paying agent, will be sufficient to pay the interest due with respect to the Unrestricted Refunded Bonds of which such Refunded Bonds Paying Agent is paying agent, and, second, such amount as, when added to the amount (if any) paid from the Restricted Account on that date for the payment of principal and premium (if any) due with respect to the Unrestricted Refunded Bonds, will be sufficient to pay the principal and premium (if any) due with respect to the Unrestricted Refunded Bonds of which such Refunded Bonds Paying Agent is paying agent that mature or are required to be redeemed on that date; and

(e) on each Refunded Bonds Payment Date for so long as the Escrow Fund shall be maintained, there shall be paid, out of moneys in the Escrow Fund remaining after all payments required by the preceding provisions of this paragraph shall have been made, such Administrative Costs as shall then be respectively owed to the Refunded Bonds Paying Agents and the Escrow Trustee, subject to the conditions that

(1) payment of Administrative Costs from the Escrow Fund on any Refunded Bonds Payment Date shall be made only to the extent that such payment does not cause the Escrow Fund Balance to be less than the Minimum Required Escrow Fund Balance for such date,

(2) Administrative Costs shall be paid from the Escrow Fund on each Refunded Bonds Payment Date only to the extent they are due and payable on each such date, and no moneys shall be set aside in either account of the Escrow Fund for the future payment of Administrative Costs not yet due and payable on any such date,

(3) if the total amount of moneys in the Escrow Fund available on any Refunded Bonds Payment Date for the payment of Administrative Costs shall not be sufficient to pay all Administrative Costs then due, the amount (if any) in the Escrow Fund that can be disbursed for the payment of such costs in accordance with the provisions of this subparagraph (e) shall be allocated to the parties to which such costs are owed in proportion to the amounts respectively owed such parties, unless the Board shall direct the Escrow Trustee to allocate such amount differently among such parties,



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(4) nothing contained in this Escrow Trust Agreement shall be construed to impose a liability or a lien upon the Escrow Fund for the payment of any Administrative Costs which cannot be paid in accordance with the provisions of this subparagraph (e),

(5) Administrative Costs shall be paid first out of moneys in the Restricted Account to the extent that such account may be depleted (taking into consideration moneys in the Unrestricted Account) without violating the condition stated in clause (1) of this subparagraph (e), and then out of moneys in the Unrestricted Account to the extent that such account may be depleted without violating the condition of the said clause (1), provided that no moneys in either account of the Escrow Fund shall be used for the payment of Administrative Costs unless they are available without sale or other conversion into cash of any of the Escrow Fund Basic Investments, and provided further, that no moneys in the Unrestricted Account shall be used to pay Administrative Costs referable to the Series K-M Bonds; and

(f) on each Refunded Bonds Payment Date for so long as the Escrow Fund shall be maintained, there shall be paid to the Board any available moneys remaining in the Unrestricted Account after all payments required by the preceding provisions of this paragraph shall have been made, subject to the conditions that (i) no moneys shall be paid to the Board from the Unrestricted Account unless they are available without sale or other conversion into cash of any of the Escrow Fund Basic Investments and (ii) any payment to the Board from the Unrestricted Account shall be made on any Refunded Bonds Payment Date only to the extent that such payment does not cause the Escrow Fund Balance to be less than the Minimum Required Escrow Fund Balance for such date.

If the Escrow Fund Basic Investments in either or both accounts of the Escrow Fund should be rearranged or restructured in accordance with the provisions of Section 3.4 hereof, the preceding provisions of this section specifying payments from the Escrow Fund may be modified as to amount, timing, source, priority or other conditions in such manner and to such extent as shall be permitted or required by the certificate of an independent certified public accountant and the opinion of Bond Counsel that must be furnished to the Escrow Trustee in connection with any rearrangement or restructuring of the Escrow Fund Basic Investments pursuant to Section 3.4 hereof; provided, however, that in no event shall amounts or investments in the Unrestricted Account or derived from proceeds of amounts or investments in the Unrestricted Account be used to pay any principal of or interest or premium on Series K-M Bonds.

Any specifications in this section as to the order of payment from either account of the Escrow Fund for debt service on any of the Refunded Bonds are made solely for the purpose of establishing accounting rules which enable the source of payments for debt service to be identified, and nothing contained herein shall be

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construed to create any preference or priority between any of the Refunded Bonds as to right of payment from the Escrow Fund.

In the event that the principal and interest maturing (or otherwise being available through planned redemption or otherwise) with respect to the Escrow Fund Investments, together with any moneys at the time on deposit in the Escrow Fund, shall not be sufficient to pay the principal and interest maturing with respect to the Refunded Bonds or the redemption price of any Refunded Bonds required to be redeemed, the Board will deposit with the Escrow Trustee, not later than the opening of business on any due date for such principal, interest or redemption price, as the case may be, such immediately available funds as, when added to the available moneys in the Escrow Fund, will be sufficient to pay such principal, interest or redemption price. If moneys from the Escrow Fund are not available for the payment of the fees and expenses of the Refunded Bonds Paying Agents relating to the Refunded Bonds, or cannot be disbursed for the payment of such charges in accordance with the applicable conditions of this section, at the time such fees and expenses shall become due and payable, the Board will pay the full amount of such fees and expenses directly to the Refunded Bonds Paying Agents as determined in accordance with (i) the provisions of the documents and proceedings respectively providing for the issuance of the Refunding Bonds and (ii) any other applicable agreement between the Board and each Refunded Bonds Paying Agent.

Section 3.4. Restructuring of Escrow Fund Basic Investments. Subject to compliance with all of the applicable conditions set forth in this section, the Board shall have the right to cause the Escrow Trustee to rearrange or restructure the Escrow Fund Basic Investments one or more times for any of the following reasons:

(a) the continued holding of the Escrow Fund Basic Investments in accordance with the provisions hereof shall have been rendered economically or legally undesirable by a change in applicable federal or state law or by an adverse interpretation of federal or state law considered by counsel to be applicable at the time of the delivery of this Escrow Trust Agreement, it being hereby agreed that the rearrangement or restructuring of the Escrow Fund Basic Investments may be justified by such change in law or such adverse interpretation of law, as the case may be, irrespective of whether this Escrow Trust Agreement or any transactions related thereto shall be the subject of pending administrative or judicial action or whether such rearrangement or restructuring shall be recommended as an anticipatory corrective measure by counsel to the Board;

(b) at the time of any proposed rearrangement or restructuring of the Escrow Fund Basic Investments, it shall be economically or legally desirable or necessary to provide for the full payment and retirement of the Refunded Bonds with new Escrow Fund Basic Investments that can be obtained at a cost to the Board less than the then current liquidation value of Escrow Fund Basic Investments that are to be replaced as a consequence of such rearrangement or restructuring;

(c) at the time of any proposed rearrangement or restructuring of the Escrow Fund Basic Investments, it shall be economically or legally desirable or necessary to redeem or purchase for retirement all or any of the Refunded Bonds with moneys then invested in the Escrow Fund Basic Investments.

In connection with any rearrangement or restructuring of the Escrow Fund Basic Investments, the Escrow Trustee will, upon written request of the Board (the form of such request and the due authorization thereof by the Board to be satisfactory to the Escrow Trustee), (i) transfer moneys or investments held in any one of the accounts created hereunder to any other of such accounts, (ii) sell or otherwise convert into cash any Escrow Fund Investments then held in any account of the Escrow Fund and use the proceeds from such sale or conversion, together with any other cash held in any account of the Escrow Fund or contributed by the Board, to purchase as new Escrow Fund Basic Investments for any account of the Escrow Fund such Federal Obligations as shall be specified by the Board, and (iii) surrender any specified Escrow Fund Investments then held in any account of the Escrow Fund to the Board in exchange for other Federal Obligations to be substituted as new Escrow Fund Basic Investments.

No rearrangement or restructuring of the Escrow Fund Basic Investments shall be permitted unless the following conditions shall be satisfied:

(1) after the completion of such rearrangement or restructuring, the Escrow Fund shall contain Escrow Fund Basic Investments that will mature on such dates (or will be subject to redemption at the option of the holder or otherwise convertible into cash on certain conditions), bear such interest payable at such times, and be of such tenor as will, without any expectation of income from the investment and reinvestment of future cash balances in the Escrow Fund, provide moneys which, together with any cash on deposit in the Escrow Fund immediately following the completion of such rearrangement or restructuring, will be sufficient, taking into account the limitation of subparagraph (4) of this paragraph, to pay all principal, interest and premium thereafter maturing or otherwise becoming due and payable with respect to those of the Refunded Bonds that will remain outstanding after the completion of such rearrangement or restructuring;

(2) in connection with such rearrangement or restructuring, any net amount derived from the sale or other liquidation of Escrow Fund Basic Investments that is not reinvested in substitute Escrow Fund Basic Investments (recognizing as an adjustment to such net amount the net difference in the market value between any investments surrendered to the Board in exchange for substitute investments and the market value of such substitute investments) shall be used as the Board shall determine for one or more of the following purposes: (i) to pay or redeem Refunded Bonds in accordance with the terms thereof or to purchase Refunded Bonds for retirement, (ii) to pay or redeem Series 1985 Bonds in accordance with the terms thereof or to purchase Series 1985 Bonds for retirement, or (iii) to establish an irrevocable trust fund containing

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Federal Obligations for the future payment and redemption of Series 1985 Bonds, it being agreed that compliance with the conditions of this subparagraph (2) shall be evidenced by such certificates of officials of the Board and copies of such related documents as the Escrow Trustee shall reasonably require;

(3) there shall be furnished to the Escrow Trustee a report of an independent certified public accountant (acceptable to both the Board and the Escrow Trustee) stating the conclusion that the Escrow Fund Basic Investments resulting from such rearrangement or restructuring comply with the conditions set forth in subparagraph (1) of this paragraph, which report shall contain such schedules as shall be necessary to support such conclusion, together with a new schedule of Minimum Required Escrow Fund Balances for each Refunded Bonds Payment Date until and including the scheduled retirement of the outstanding Refunded Bonds with moneys provided by the rearranged or restructured Escrow Fund Basic Investments;

(4) no moneys or investments held in the Unrestricted Account and no proceeds or investments derived from any moneys or investments held in the Unrestricted Account shall be used to pay any principal of or interest or premium on the Series K-M Bonds or any Administrative Costs referable thereto; and

(5) there shall be furnished to the Escrow Trustee a written opinion of Bond Counsel to the effect that none of the actions taken in connection with such rearrangement or restructuring of the Escrow Fund Basic Investments will cause any of the Refunded Bonds or the Series 1985 Bonds to be or become "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder.

Section 3.5 Determination of Minimum Required Escrow Fund Balances. The Minimum Required Escrow Fund Balance for each Refunded Bonds Payment Date shall be an amount of money remaining in the Escrow Fund (combining the amounts in each account thereof) at the close of business on each such Refunded Bonds Payment Date with respect to which the following conditions shall be satisfied:

(a) all payments from the Escrow Fund shall have been made that are required to be made from such fund on such Refunded Bonds Payment Date by the provisions of Section 3.3 hereof;

(b) beginning as of the date of the delivery of this Escrow Trust Agreement (or, in the case of any rearrangement or restructuring of Escrow Fund Basic Investments pursuant to Section 3.4 hereof, the date of the completion of such rearrangement or restructuring), the Minimum Required Escrow Fund Balance shall be determined as the amount by which

(i) the sum of (A) the initial cash deposit of \$3,016,090.63 made into the Escrow Fund pursuant to Section



3.2 hereof (or, in the case of any rearrangement or restructuring of Escrow Fund Basic Investments pursuant to Section 3.4 hereof, the total cash deposit in the Escrow Fund immediately following the completion of such rearrangement or restructuring), and (B) the cumulative total of all principal, interest and premium scheduled since such beginning date to mature or otherwise become due and payable on or before such Refunded Bonds Payment Date with respect to the Escrow Fund Basic Investments (including Subsequent Basic Investments) exceeds

(ii) the sum of (A) the cumulative total of all amounts scheduled since such beginning date to be invested in Subsequent Basic Investments (if any) on or before such Refunded Bonds Payment Date and (B) the cumulative total of all principal, interest and premium scheduled since such beginning date to mature or otherwise become due and payable on or before such Refunded Bonds Payment Date with respect to the Refunded Bonds; and

(c) the Minimum Required Escrow Fund Balance for each Refunded Bonds Payment Date, when added to the cumulative total of all principal, interest and premium thereafter scheduled to mature or otherwise become due and payable with respect to the Escrow Fund Basic Investments, will be sufficient, without any expectation of income from Supplemental Investments or other funds, to acquire all scheduled Subsequent Basic Investments (if any) and to pay all principal, interest and premium that will thereafter mature or otherwise become due and payable with respect to the Refunded Bonds.

The Minimum Required Escrow Fund Balance for the Refunded Bonds Payment Date on which the Refunded Bonds are scheduled to be paid in full will be amounts satisfying the conditions of subparagraphs (a) and (b) without regard to the conditions of subparagraph (c).

Section 3.6 Restricted Account Subsequent Basic Investments. In order to ensure that the combined Yield on the Escrow Fund Investments will not exceed the Yield set forth in subparagraph (u) of Section 2.1 hereof as the highest permissible Yield at which proceeds of the Series 1985 Bonds may be invested, the Escrow Trustee will acquire Restricted Account Subsequent Basic Investments on the dates of acquisition, in the principal amounts and having the maturities respectively set forth in Exhibit E attached hereto and made a part hereof. The Restricted Account Subsequent Basic Investments shall have a Yield of zero percent per annum and shall be purchased out of the principal (if any) and interest that mature with respect to the Initial Restricted Account Investments on the respective required dates of acquisition.

The Board hereby irrevocably authorizes and directs the Escrow Trustee, as the agent of the Board with power to act in its name, to acquire the Restricted Account Subsequent Basic Investments on the dates specified and in strict accord-

ance with all other applicable provisions hereof. The Escrow Trustee hereby accepts the agency powers conferred upon it by this section with respect to the acquisition of such Restricted Account Subsequent Basic Investments, and it hereby agrees to take, in a timely manner, all actions necessary to acquire such Restricted Account Subsequent Basic Investments in the amounts and on the dates specified.

Section 3.7 Redemption of Water Supply Revenue Bonds of Series D.
The Board hereby calls for redemption on April 1, 1986, all outstanding Water Supply Revenue Bonds, Series D, consisting of \$161,000 principal amount thereof (other than such thereof as may have theretofore been purchased for retirement), and it hereby confers upon the Escrow Trustee irrevocable powers

(a) to publish one time, for and in the name of the Board, in a daily newspaper published in the City of Birmingham, Alabama, and also to publish one time in a financial journal published in the City of New York, New York, during the period commencing forty-five (45) days prior to April 1, 1986, and ending thirty (30) days prior to April 1, 1986, a notice in substantially the form hereinafter specified, and

(b) to mail, for and in the name of the Board, by United States registered or certified mail, a notice in substantially the form hereinafter specified to the holder of each Water Supply Revenue Bond, Series D, that, on the date of the mailing of such notice, is registered as to principal, such notice to be so mailed not less than twenty-five (25) days prior to April 1, 1986.

The form of the notice referred to in the preceding subparagraphs (a) and (b) shall be substantially as follows:

NOTICE OF CALL OF BONDS FOR REDEMPTION

The Water Works Board of the City of Birmingham, Alabama, has called for redemption on April 1, 1986, and will redeem and pay on that date, all its outstanding Water Supply Revenue Bonds, Series D, dated April 1, 1962. The bonds so called for redemption bear the following numbers: [here the Escrow Trustee will insert the numbers of the Water Supply Revenue Bonds, Series D, to be redeemed]. Each bond so called for redemption will become due and payable on April 1, 1986, at and for a redemption price equal to the par or face amount thereof plus accrued interest to April 1, 1986, and a premium of one-half percent (1/2%) of the face amount thereof in the case of bonds maturing in 1988 and three-fourths percent (3/4%) of the face amount thereof in the case of bonds maturing in 1989. The bonds so called (together with all unmatured interest coupons appurtenant thereto) should be presented for payment and redemption at the principal office of AmSouth Bank N.A., Birmingham, Alabama, or, at the option of the respective holders, at the principal office of Chemical Bank, New York, New York, and will cease to bear interest after April 1, 1986, whether or not so presented.

DATED this _____ day of _____, 1986.

THE WATER WORKS BOARD OF THE
CITY OF BIRMINGHAM, ALABAMA

By: AMSOUTH BANK N.A.
Its Duly Authorized Agent

By: _____
Its _____

The Escrow Trustee hereby accepts the powers conferred on it in this section and hereby agrees to publish and mail the notice provided for in this section, all in accordance with the provisions of this section.

Section 3.8 Redemption of Water Supply Revenue Bonds of Series M.
The Board hereby calls for redemption on July 1, 1994, all of its outstanding Water Supply Revenue Bonds, Series M, which mature in the years 1998 through 2010, inclusive, consisting of \$6,800,000 principal amount thereof (other than such thereof as may have theretofore been purchased for retirement), and it hereby confers upon the Escrow Trustee irrevocable powers

(a) to publish one time, for and in the name of the Board, in a daily newspaper published in the City of Birmingham, Alabama, and also to publish one time in a financial journal published in the City of New York, New York, during the period commencing forty-five (45) days prior to July 1, 1994, and ending thirty (30) days prior to July 1, 1994, a notice in substantially the form hereinafter specified, and

(b) to mail, for and in the name of the Board, by United States registered or certified mail, a notice in substantially the form hereinafter specified to the registered holder of each Water Supply Revenue Bond, Series M, such notice to be so mailed not less than twenty-five (25) days prior to July 1, 1994.

The form of the notice referred to in the preceding subparagraphs (a) and (b) shall be substantially as follows:

**NOTICE OF CALL OF
BONDS FOR REDEMPTION**

The Water Works Board of the City of Birmingham, Alabama, has called for redemption on July 1, 1994, and will redeem and pay on that date, all of its outstanding Water Supply Revenue Bonds, Series M, dated November 1, 1984, which mature in the years 1998 through 2010,

inclusive. The bonds so called for redemption bear the following numbers: [here the Escrow Trustee will insert the numbers of the Water Supply Revenue Bonds, Series M, to be redeemed]. Each bond so called for redemption will become due and payable on July 1, 1994, at and for a redemption price equal to the par or face amount thereof plus accrued interest to July 1, 1994, and a premium of three percent (3.00%) of the face value thereof. The bonds so called should be presented for payment and redemption at the principal office of AmSouth Bank N.A., Birmingham, Alabama, and will cease to bear interest after July 1, 1994, whether or not so presented.

DATED this _____ day of _____, 1994.

THE WATER WORKS BOARD OF THE
CITY OF BIRMINGHAM, ALABAMA

By: AMSOUTH BANK N.A.
Its Duly Authorized Agent

By: _____
Its _____

The Escrow Trustee hereby accepts the powers conferred on it in this section and hereby agrees to publish and mail the notice provided for in this section, all in accordance with the provisions of this section.

ARTICLE IV

INVESTMENT OF MONEYS IN ESCROW FUND

Section 4.1 **Investment of Moneys in Escrow Fund.** Subject to the provisions of Section 6.1 hereof and to the succeeding provisions of this section specifically relating to conditions of investment for any moneys held in the Escrow Fund, moneys held in the Escrow Fund that are not at the time invested in Escrow Fund Basic Investments shall be continuously invested and reinvested by the Escrow Trustee in Supplemental Investments which shall have the highest interest rate or profit potential among Supplemental Investments reasonably known and available to the Escrow Trustee in the ordinary course of its business and which shall mature (or be subject to redemption at the option of the holder thereof) on such dates as will assure the availability of cash in the Escrow Fund to make any payments therefrom required by the provisions hereof. Any Supplemental Investments acquired by the Escrow Trustee pursuant to the provisions of this section shall be deemed at all times to constitute part of the account from which the moneys were withdrawn to acquire such investments, and all income earned, profits realized and losses suffered by reason of the acquisition or disposition of such investments shall be credited or

charged, as the case may be, to the particular account to which such investment belongs. The Escrow Trustee may sell, redeem or otherwise convert into cash any Supplemental Investments constituting a part of the Escrow Fund to the extent necessary (as the Escrow Trustee shall determine in the exercise of its sole discretion) to provide cash in such Escrow Fund for any payments required by the provisions hereof to be made therefrom or to facilitate the transfers of moneys between various accounts as may from time to time be required or permitted by the provisions hereof. The Escrow Trustee shall not be liable for losses incurred in connection with investments made or disposed of in accordance with the provisions of this section.

Any provisions hereof to the contrary notwithstanding, moneys on deposit in any account created hereunder may be commingled and combined with moneys held in another account for the purpose of making investments under the provisions of this section, subject to the following conditions:

(a) all interest, income or profit realized from any such commingled investment shall be credited, and all losses resulting therefrom shall be charged, to each such account in the same respective proportions as the amount invested from each such account bears to the total amount so invested;

(b) no moneys forming a part of any such account shall be invested in any investments other than such as are herein expressly authorized for such account; and

(c) the commingled investment of moneys held in the Restricted Account, together with other moneys held hereunder, shall not result in the investment of a greater amount of moneys in such account, or the investment at a higher Yield of the moneys in such account, than would otherwise be permitted by the provisions of this Escrow Trust Agreement.

All uninvested moneys at any time held in the Restricted Account shall be invested in compliance with the following conditions:

(1) such moneys shall be invested either (A) in Qualified Tax-Exempt Obligations without regard to Yield or (B) in other Supplemental Investments that are purchased at market prices as determined in accordance with United States Treasury Regulations §1.103-13(c) and that have Yields not greater than the Yield on the Series 1985 Bonds; and

(2) such moneys shall not be invested in any Supplemental Investments other than Qualified Tax-Exempt Obligations if, at the time of any proposed investment of such moneys, the cumulative total of all income and profit realized from Supplemental Investments theretofore held in the Restricted Account (including all profit and loss realized from the acquisition and disposition of Supplemental Investments), plus the expected income and profit from any Supplemental Investments then held in the Restricted Account, will exceed the sum of the following:
(i) \$300,000 [viz., the benchmark amount referred to in subparagraph (t)

of Section 2.1 hereof]; (ii) the cumulative total of Administrative Costs theretofore paid from the Restricted Account; and (iii) the greater of (A) the Minimum Required Escrow Fund Balance for November 1, 2008 as shown in Exhibit E hereto or (B) the then effective Minimum Required Escrow Fund Balance for such date, determined in accordance with the provisions of Section 3.5 hereof.

In order to facilitate compliance with the condition stated in subparagraph (2) above, the Escrow Trustee will at all times maintain a continuing record of (i) the cumulative total of Administrative Costs theretofore paid from the Restricted Account and (ii) the cumulative total of the income and profit earned from Supplemental Investments at any time held in the Restricted Account from the effective date of this Escrow Trust Agreement, it being understood that such cumulative total shall include any income from Supplemental Investments that may theretofore have been disbursed from the Restricted Account pursuant to the provisions of Section 3.3 hereof. Any portion of uninvested moneys in the Restricted Account that at any time cannot be invested in compliance with the conditions set forth in subparagraphs (1) and (2) above shall be held as a cash balance in the Restricted Account until such time (which may be never) as such moneys can be invested in compliance with such conditions.

Any uninvested moneys at any time held in the Unrestricted Account may be invested in such Supplemental Investments as the Escrow Trustee shall select without restriction as to the Yield on such investments or the cumulative amount of income or profit that may be earned from such investments.

The Escrow Trustee shall be fully protected in relying upon an opinion of Bond Counsel as to the proper interpretation and application of the provisions of this section, and the Escrow Trustee may take or permit actions not in compliance with such provisions if it obtains a written opinion of Bond Counsel to the effect that such actions will not result in any of the Refunded Bonds or the Series 1985 Bonds being or becoming "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder.

Section 4.2 Security for Escrow Fund. The moneys at any time on deposit in the Escrow Fund established under this Escrow Trust Agreement shall be and at all times remain public funds impressed with a trust for the purposes for which such fund is herein created. The Escrow Trustee shall at all times keep the moneys on deposit in the Escrow Fund continuously secured, for the benefit of the Board and the holders of the Refunded Bonds, respectively, either

(a) by holding on deposit, as collateral security, Federal Obligations having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the Escrow Fund, or

(b) if the furnishing of security in the manner provided by the preceding clause (a) is not permitted by the then applicable laws and regulations, then in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds;

provided, however, that it shall not be necessary for the Escrow Trustee so to secure any portion of the moneys held in the Escrow Fund that at the time is invested in Federal Obligations or is insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions.

ARTICLE V

CONCERNING THE ESCROW TRUSTEE

Section 5.1 **Acceptance of Trusts.** The Escrow Trustee accepts the trusts hereby created and agrees to perform the duties herein required of it, either expressly or by reasonable implication, subject, however, to the following conditions:

(a) It shall not be liable hereunder except for its noncompliance with the provisions hereof, its willful misconduct or its negligence, or the breach of any warranty or the untruthfulness of any representation made herein by it, and, in particular and without limiting the generality of the foregoing, it shall not be liable for any losses resulting from any investment of moneys, or the conversion into cash of any investment forming a part of the Escrow Fund if it shall have made such investment or conversion in accordance with the provisions hereof.

(b) It may consult Bond Counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of Bond Counsel, provided that its action or inaction are not contrary to any express provision hereof.

(c) It shall not be answerable for any action taken in good faith on any notice, request, consent, certificate or other paper or document which it believes to be genuine and signed or acknowledged by the proper party.

(d) It shall be entitled to reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services.

(e) It may be the holder of Refunded Bonds and the Series 1985 Bonds, or any thereof, as if not Escrow Trustee hereunder.

(f) It shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(g) All moneys received by the Escrow Trustee to be held by it hereunder shall be held as trust funds until disbursed in the manner herein provided therefor. The Escrow Trustee shall not be liable to pay or allow interest thereon or otherwise to invest any such moneys except as specifically required herein.

(h) It shall, upon reasonable request, advise the Board of the cash balances and investments at the time contained in the accounts of the Escrow Fund.

Section 5.2 Failure of Escrow Trustee to Account for Trust Assets. In the event that the Escrow Trustee fails to account for any of the investments or other assets forming part of the Escrow Fund, such investments or other assets shall be and remain the property of the Board in trust for the holders of the Refunded Bonds, as herein provided, and if for any reason such investments or other assets cannot be identified, the assets of the Escrow Trustee shall be impressed with a trust for the amount thereof, and the Board shall be entitled to a preferred claim upon such assets until such identification is made.

Section 5.3 Compensation and Expenses of the Escrow Trustee. The Escrow Trustee shall be entitled to reasonable compensation for its services hereunder and to payment of all reasonable charges, expenses and disbursements incurred by it in the performance of its duties hereunder. Such compensation, charges, expenses and disbursements (herein together called the "Escrow Trustee Charges") shall be payable out of moneys in the Escrow Fund as and to the extent that they constitute Administrative Costs payable pursuant to the express provisions of this Escrow Trust Agreement. If moneys from the Escrow Fund are not available for the payment of the Escrow Trustee Charges, or cannot be disbursed for the payment of such charges in accordance with the applicable conditions hereof, at the time such charges shall become due and payable, the Board will pay the full amount of such charges directly to the Escrow Trustee promptly upon being billed therefor by the Escrow Trustee.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Provisions Respecting Avoidance of Arbitrage. The Board hereby represents, and the Escrow Trustee hereby acknowledges, that the proceeds of the Series 1985 Bonds invested in the Initial Restricted Account Investments have been invested at Yields which will not cause any of the Refunded Bonds or the Series 1985 Bonds, as the case may be, to be or become "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder. Anything herein contained to the contrary notwithstanding, the Board shall not request or direct the Escrow Trustee to invest any moneys in the Escrow Fund nor shall the Escrow Trustee, with or without direction from the Board, invest any moneys in such fund, if the Yields on the investments of such moneys, the amounts invested therein or any other factors relating thereto would cause any of the Refunded Bonds or the Series 1985 Bonds, as the case may be, to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder; provided, however, that the Escrow Trustee shall have no responsibility under the preceding provisions of this sentence for the acquisition of the Initial Restricted Account Investments directed by Section 3.2 hereof, it being

understood that such investments have been acquired at the direction of the Board without any responsibility of the Escrow Trustee for the consequences thereof under federal tax law.

Anything in this Escrow Trust Agreement to the contrary notwithstanding, if Section 103(c) of the Code or the applicable regulations thereunder shall be modified, or interpreted by the United States Treasury Department, the Internal Revenue Service or a court of competent jurisdiction, or held invalid by a court of competent jurisdiction, and the effect of the modification, interpretation or invalidation is to make unnecessary to any extent any provision hereof restricting the Yield on any investments or any other provision hereof intended to ensure that the interest on the Refunded Bonds and the Series 1985 Bonds is and will continue to be exempt from federal income taxation, then to that extent such provisions shall be ineffective. The Escrow Trustee, however, shall not take any action pursuant to this paragraph without a prior written opinion of Bond Counsel that such action would not adversely affect the exemption of the interest on the Refunded Bonds and the Series 1985 Bonds from federal income taxation.

Section 6.2 Third Party Beneficiaries Hereof. The holders of the Refunded Bonds and the coupons applicable thereto shall be third party beneficiaries of this Escrow Trust Agreement as and to the extent provided herein.

Section 6.3 Concerning the Refunded Water Supply Revenue Bonds Indenture and Other Proceedings. The execution and delivery of this Escrow Trust Agreement and the establishment of the Escrow Fund (i) shall equitably defease the pledge of the revenues of the Board made for the benefit of the Refunded Water Supply Revenue Bonds in the Refunded Water Supply Revenue Bonds Indenture and the pledges of portions of such revenues made for the benefit of the Refunded Assumed Bonds in the various documents and proceedings respectively securing such bonds, (ii) shall permit the dissolution of all special trust funds and accounts established under the Refunded Water Supply Revenue Bonds Indenture and under the various documents and proceedings respectively applicable to the Refunded Assumed Bonds and shall permit all moneys and investments held therein to be applied as directed by the Board, and (iii) shall relieve the Board from its obligations under the Refunded Water Supply Revenue Bonds Indenture and the various documents and proceedings respectively applicable to the Refunded Assumed Bonds to make payments of amounts necessary to provide for the payment of the principal of and the interest on the Refunded Bonds and for the maintenance of the trust funds and accounts established under the Refunded Bonds Water Supply Revenue Indenture and the various documents and proceedings respectively applicable to the Refunded Assumed Bonds. Notwithstanding the foregoing, the Board acknowledges and agrees that there shall remain in full force and effect those provisions of the Refunded Bonds Water Supply Revenue Indenture and the various documents and proceedings respectively applicable to the Refunded Assumed Bonds that are necessary or convenient for the Board and the respective Refunded Bonds Paying Agents to perform their respective remaining duties under such indenture and such documents and proceedings with respect to the Refunded Bonds, including, without limitation, those administrative provisions thereof relating to the payment of the Refunded Bonds and the coupons applicable thereto, whether such bonds and coupons are presented for payment at maturity or thereafter.

Section 6.4 Termination of Escrow Trust Agreement; Payment of Remaining Moneys to the Board. This Escrow Trust Agreement shall terminate when the principal of and the interest on all the Refunded Bonds shall have been paid in full in accordance with the provisions hereof. At such time the Escrow Trustee will promptly pay and transfer to the Board any moneys and other assets that the Escrow Trustee then holds hereunder.

Section 6.5 Amendments to Escrow Trust Agreement. The parties hereto may, without the consent of or notice to the holders of any of the Refunded Bonds, at any time and from time to time, amend this Escrow Trust Agreement for any one or more of the following purposes:

(a) to add to the covenants and agreements herein contained other covenants and agreements thereafter to be observed and performed by either of the parties hereto, provided that such other covenants and agreements shall not either expressly or impliedly limit or restrict any of the obligations hereunder of either of the parties hereto;

(b) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein or in any amendment hereto, or to make any provision with respect to matters arising hereunder or under any amendment hereto for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions hereof and do not, in the judgment of the Escrow Trustee, adversely affect the interests of the holders of the Refunded Bonds;

(c) to make subject to the trusts created herein additional funds, securities or properties; or

(d) to modify particular provisions hereof to such extent as shall be necessary to eliminate inconsistent or contradictory provisions resulting from a rearrangement or restructuring of the Escrow Fund Basic Investments, in accordance with the applicable provisions of Section 3.4 hereof.

With respect to all questions arising under this section, the Escrow Trustee shall be entitled to rely upon a written opinion of Bond Counsel acceptable to it.

Section 6.6 Parties Benefited by Escrow Trust Agreement. Except as otherwise provided in Section 6.2 hereof with respect to the holders of the Refunded Bonds and the coupons applicable thereto, the covenants and agreements herein contained are for the sole and exclusive benefit of the parties hereto and their respective successors and assigns.

Section 6.7 Binding Effect of Escrow Trust Agreement. This Escrow Trust Agreement shall inure to the benefit of, and shall be binding upon, the Board and the Escrow Trustee and their respective successors and assigns.

Section 6.8 Limitation of Liability of Board. The pecuniary obligations of the Board hereunder shall be payable solely from the moneys held hereunder for the payment of such obligations by the Escrow Trustee and from the revenues derived by the Board from the System as defined in the Indenture.

Section 6.9 **Governing Law.** This Escrow Trust Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

Section 6.10 **Article and Section Captions.** The article and section captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

Section 6.11 **Severability.** In the event any provision of this Escrow Trust Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the Board and the Escrow Trustee have caused this Escrow Trust Agreement to be executed in their respective names, have caused their respective seals to be hereunto affixed, have caused this Escrow Trust Agreement to be attested, all by their duly authorized officers, in Ten (10) counterparts, each of which shall be an original, and have caused this Escrow Trust Agreement to be dated as of December 1, 1985, although actually executed and delivered on December 30, 1985.

THE WATER WORKS BOARD OF THE
CITY OF BIRMINGHAM

[SEAL]

ATTEST:

Uylie L. Jones
Secretary

By

W. D. Wam

Chairman of the
Board of Directors

AMSOUTH BANK N.A.

[SEAL]

ATTEST:

B. L. L. L. L.

VICE PRESIDENT AND
CORPORATE TRUST OFFICER

By

M. J. L.

ASSISTANT VICE PRESIDENT
AND CORPORATE TRUST OFFICER

EXHIBIT A
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

SOURCES AND USES OF FUNDS

Sources

Principal amount of Series 1985 Bonds	\$ 36,395,000.00
Accrued interest from December 1, 1985 to December 30, 1985	244,458.02
Moneys formerly held in trust funds under Refunded Water Supply Revenue Bonds and proceedings and instruments relating to Refunded Assumed Bonds	<u>12,724,906.97</u>
 TOTAL SOURCES	 <u><u>\$ 49,364,364.99</u></u>

Uses

Purchase of Initial Restricted Account Investments	30,248,300.00
Cash Deposit into Escrow Fund	3,016,090.63
Initial Unrestricted Account Investments	5,013,700.34
Reserve Fund for Series 1985 Bonds	4,695,116.00
Bond Fund for Series 1985 Bonds	244,458.02
Deposit to Bond Proceeds Fund for construction of additions and improvements to water system	5,003,590.00
Costs of issuance which may be taken into account for computing yield	227,630.00
Additional costs which may not be taken into account for computing yield	42,000.00
Underwriting discount	<u>873,480.00</u>
 TOTAL USES	 <u><u>\$ 49,364,364.99</u></u>

EXHIBIT B
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

YIELD ON SERIES 1985 BONDS

Computation of purchase price of

Series 1985 Bonds for yield purposes:

Principal amount of Series 1985 Bonds

\$ 36,395,000.00

Plus accrued interest, December 1, 1985, to
December 30, 1985

244,458.02

Less:

Issuance costs

\$ 227,630.00

Underwriting discount

873,480.00

1,101,110.00

PURCHASE PRICE OF SERIES 1985 BONDS
FOR YIELD PURPOSES

\$ 35,538,348.02

YIELD

8.787983%

Exhibit B Continued

TOTAL DEBT SERVICE ON THE SERIES 1985 BONDS
AND PROOF OF YIELD

Date	Principal	Interest	Total Debt Service	Present Value
July 1, 1986	-0-	\$ 1,770,213.23	\$ 1,770,213.23	\$ 1,695,299.08
January 1, 1987	-0-	1,517,325.62	1,517,325.62	1,391,951.27
July 1, 1987	-0-	1,517,325.62	1,517,325.62	1,333,363.40
January 1, 1988	-0-	1,517,325.62	1,517,325.62	1,277,241.51
July 1, 1988	-0-	1,517,325.62	1,517,325.62	1,223,481.83
January 1, 1989	-0-	1,517,325.62	1,517,325.62	1,171,984.91
July 1, 1989	-0-	1,517,325.62	1,517,325.62	1,122,655.52
January 1, 1990	-0-	1,517,325.62	1,517,325.62	1,075,402.43
July 1, 1990	-0-	1,517,325.62	1,517,325.62	1,030,138.24
January 1, 1991	-0-	1,517,325.62	1,517,325.62	986,779.24
July 1, 1991	-0-	1,517,325.62	1,517,325.62	945,245.25
January 1, 1992	-0-	1,517,325.62	1,517,325.62	905,459.44
July 1, 1992	-0-	1,517,325.62	1,517,325.62	867,348.23
January 1, 1993	1,090,000.00	1,517,325.62	2,607,325.62	1,427,691.82
July 1, 1993	-0-	1,476,995.62	1,476,995.62	774,716.68
January 1, 1994	2,370,000.00	1,476,995.62	3,846,995.62	1,932,902.22
July 1, 1994	-0-	1,388,120.62	1,388,120.62	668,097.58
January 1, 1995	2,400,000.00	1,388,120.62	3,788,120.62	1,746,469.42
July 1, 1995	-0-	1,295,720.62	1,295,720.62	572,233.20
January 1, 1996	2,250,000.00	1,295,720.62	3,545,720.62	1,499,998.04
July 1, 1996	-0-	1,206,845.62	1,206,845.62	489,060.28
January 1, 1997	2,040,000.00	1,206,845.62	3,246,845.62	1,260,366.39
July 1, 1997	-0-	1,125,245.63	1,125,245.63	418,414.77
January 1, 1998	2,085,000.00	1,125,245.62	3,210,245.62	1,143,463.82
July 1, 1998	-0-	1,040,803.13	1,040,803.13	355,121.73
January 1, 1999	2,065,000.00	1,040,803.12	3,105,803.12	1,015,095.92
July 1, 1999	-0-	956,138.13	956,138.13	299,349.33
January 1, 2000	2,470,000.00	956,138.12	3,426,138.12	1,027,512.28
July 1, 2000	-0-	853,633.13	853,633.13	245,232.43
January 1, 2001	2,165,000.00	853,633.13	3,018,633.13	830,694.78
July 1, 2001	-0-	762,703.13	762,703.13	201,053.28
January 1, 2002	1,940,000.00	762,703.13	2,702,703.13	682,462.01
July 1, 2002	-0-	680,253.13	680,253.13	164,541.40
January 1, 2003	1,775,000.00	680,253.13	2,455,253.13	568,886.21
July 1, 2003	-0-	603,928.13	603,928.13	134,041.38
January 1, 2004	1,820,000.00	603,928.13	2,423,928.13	515,344.76
July 1, 2004	-0-	525,213.13	525,213.13	106,964.14
January 1, 2005	1,880,000.00	525,213.13	2,405,213.13	469,224.50
July 1, 2005	-0-	443,433.13	443,433.13	82,866.64
January 1, 2006	1,930,000.00	443,433.13	2,373,433.13	424,867.11
July 1, 2006	-0-	358,995.63	358,995.63	61,558.75
January 1, 2007	1,960,000.00	358,995.63	2,318,995.63	380,912.33

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Present Value</u>
July 1, 2007	-0-	272,755.63	272,755.63	42,916.40
January 1, 2008	1,650,000.00	272,755.63	1,922,755.63	289,799.87
July 1, 2008	-0-	199,743.13	199,743.13	28,838.35
January 1, 2009	1,330,000.00	199,743.13	1,529,743.13	211,563.92
July 1, 2009	-0-	140,890.63	140,890.63	18,665.07
January 1, 2010	1,385,000.00	140,890.63	1,525,890.63	193,640.19
July 1, 2010	-0-	79,431.25	79,431.25	9,655.79
January 1, 2011	855,000.00	79,431.25	934,431.25	108,809.90
July 1, 2011	-0-	41,490.63	41,490.63	4,628.02
January 1, 2012	935,000.00	41,490.63	976,490.63	104,336.95
	<u>\$36,395,000.00</u>	<u>\$48,400,126.35</u>	<u>\$84,795,126.35</u>	<u>\$35,538,348.02</u>

EXHIBIT C
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

The following is a description of stripped U.S. Treasury obligation that are to constitute the "Initial Unrestricted Account Investments" to be purchased and held by the "Escrow Trustee" under the Escrow Trust Agreement of which this Exhibit C forms a part. The said stripped U.S. Treasury obligations represent amount payable on the specified maturities dates on which no interest is paid prior to maturity.

<u>Maturity Date</u>	<u>Amount Payable at Maturity</u>
May 15, 1991	\$ 268,000
November 15, 1991	640,000
May 15, 1992	972,000
November 15, 1992	607,000
May 15, 1993	939,000
November 15, 1993	647,000
May 15, 1994	864,000
November 15, 1994	613,000
May 15, 1995	720,000
November 15, 1995	582,000
May 15, 1996	660,000
November 15, 1996	554,000
May 15, 1997	390,000
November 15, 1997	534,000
May 15, 1998	369,000
November 15, 1998	512,000
May 15, 1999	349,000
November 15, 1999	491,000
May 15, 2000	678,000
November 15, 2000	459,000
May 15, 2001	297,000
November 15, 2001	442,000
	<u>\$12,587,000</u>

EXHIBIT D
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

Schedule of United States Treasury obligations - State and Local Government Series that are to constitute the "Initial Restricted Account Investments" to be purchased and held by the "Escrow Trustee" under the Escrow Trust Agreement of which this Exhibit D forms a part:

Description of Obligation	Principal Amount	Per Annum Interest Rate	Maturity Date
U.S. Treasury Certificate	\$ 18,600	7.25%	March 1, 1986
U.S. Treasury Certificate	161,500	7.33	April 1, 1986
U.S. Treasury Certificate	60,000	7.42	May 1, 1986
U.S. Treasury Certificate	25,900	7.50	June 1, 1986
U.S. Treasury Certificate	1,065,500	7.55	July 1, 1986
U.S. Treasury Certificate	33,800	7.59	August 1, 1986
U.S. Treasury Certificate	116,100	7.69	November 1, 1986
U.S. Treasury Note	480,500	7.76	January 1, 1987
U.S. Treasury Note	6,000	7.86	March 1, 1987
U.S. Treasury Note	19,600	8.03	June 1, 1987
U.S. Treasury Note	1,151,900	8.09	July 1, 1987
U.S. Treasury Note	34,800	8.15	August 1, 1987
U.S. Treasury Note	96,200	8.30	November 1, 1987
U.S. Treasury Note	498,500	8.37	January 1, 1988
U.S. Treasury Note	6,800	8.42	March 1, 1988
U.S. Treasury Note	24,400	8.48	June 1, 1988
U.S. Treasury Note	972,400	8.50	July 1, 1988
U.S. Treasury Note	101,000	8.52	August 1, 1988
U.S. Treasury Note	96,000	8.57	November 1, 1988
U.S. Treasury Note	711,100	8.61	January 1, 1989
U.S. Treasury Note	6,800	8.67	March 1, 1989
U.S. Treasury Note	24,600	8.75	June 1, 1989
U.S. Treasury Note	811,900	8.78	July 1, 1989
U.S. Treasury Note	96,100	8.88	November 1, 1989
U.S. Treasury Note	735,100	8.90	January 1, 1990
U.S. Treasury Note	7,600	8.91	March 1, 1990
U.S. Treasury Note	29,900	8.94	June 1, 1990
U.S. Treasury Note	854,100	8.95	July 1, 1990
U.S. Treasury Note	96,400	8.97	November 1, 1990

Description of Obligation	Principal Amount	Per Annum Interest Rate	Maturity Date
U.S. Treasury Note	\$ 763,800	8.98%	January 1, 1991
U.S. Treasury Note	8,700	9.00	March 1, 1991
U.S. Treasury Note	30,400	9.04	June 1, 1991
U.S. Treasury Note	783,100	9.06	July 1, 1991
U.S. Treasury Note	96,800	9.14	November 1, 1991
U.S. Treasury Note	165,000	9.18	January 1, 1992
U.S. Treasury Note	9,600	9.23	March 1, 1992
U.S. Treasury Note	36,000	9.29	June 1, 1992
U.S. Treasury Note	187,400	9.31	July 1, 1992
U.S. Treasury Note	202,400	9.37	November 1, 1992
U.S. Treasury Note	164,600	9.39	January 1, 1993
U.S. Treasury Note	10,700	9.40	March 1, 1993
U.S. Treasury Note	42,000	9.41	June 1, 1993
U.S. Treasury Note	312,300	9.41	July 1, 1993
U.S. Treasury Note	206,000	9.43	November 1, 1993
U.S. Treasury Note	366,800	9.44	January 1, 1994
U.S. Treasury Note	10,800	9.44	March 1, 1994
U.S. Treasury Note	48,300	9.45	June 1, 1994
U.S. Treasury Note	7,318,000	9.46	July 1, 1994
U.S. Treasury Note	334,800	9.47	November 1, 1994
U.S. Treasury Note	352,700	9.48	January 1, 1995
U.S. Treasury Note	12,000	9.48	March 1, 1995
U.S. Treasury Note	50,100	9.49	June 1, 1995
U.S. Treasury Note	433,500	9.50	July 1, 1995
U.S. Treasury Bond	310,700	9.51	November 1, 1995
U.S. Treasury Bond	353,400	9.52	January 1, 1996
U.S. Treasury Bond	13,200	9.53	March 1, 1996
U.S. Treasury Bond	56,900	9.54	June 1, 1996
U.S. Treasury Bond	299,900	9.54	July 1, 1996
U.S. Treasury Bond	316,600	9.56	November 1, 1996
U.S. Treasury Bond	354,200	9.57	January 1, 1997
U.S. Treasury Bond	14,400	9.58	March 1, 1997
U.S. Treasury Bond	59,300	9.59	June 1, 1997
U.S. Treasury Bond	300,800	9.59	July 1, 1997
U.S. Treasury Bond	323,200	9.61	November 1, 1997
U.S. Treasury Bond	15,800	9.62	March 1, 1998
U.S. Treasury Bond	66,900	9.64	June 1, 1998
U.S. Treasury Bond	270,300	9.64	July 1, 1998
U.S. Treasury Bond	330,600	9.66	November 1, 1998
U.S. Treasury Bond	14,300	9.67	March 1, 1999
U.S. Treasury Bond	275,500	9.69	July 1, 1999
U.S. Treasury Bond	349,000	9.71	November 1, 1999
U.S. Treasury Bond	14,600	9.72	March 1, 2000
U.S. Treasury Bond	281,300	9.74	July 1, 2000
U.S. Treasury Bond	358,500	9.76	November 1, 2000
U.S. Treasury Bond	16,000	9.78	March 1, 2001
U.S. Treasury Bond	4,500	9.78	May 1, 2001

Description of Obligation	Principal Amount	Per Annum Interest Rate	Date Maturity
U.S. Treasury Bond	\$ 287,800	9.79	July 1, 2001
U.S. Treasury Bond	364,800	9.81	November 1, 2001
U.S. Treasury Bond	18,500	9.83	March 1, 2002
U.S. Treasury Bond	10,400	9.84	May 1, 2002
U.S. Treasury Bond	295,200	9.84%	July 1, 2002
U.S. Treasury Bond	370,900	9.86	November 1, 2002
U.S. Treasury Bond	20,100	9.88	March 1, 2003
U.S. Treasury Bond	16,800	9.89	May 1, 2003
U.S. Treasury Bond	303,200	9.89	July 1, 2003
U.S. Treasury Bond	377,600	9.91	November 1, 2003
U.S. Treasury Bond	9,800	9.92	January 1, 2004
U.S. Treasury Bond	21,900	9.93	March 1, 2004
U.S. Treasury Bond	23,900	9.94	May 1, 2004
U.S. Treasury Bond	312,400	9.94	July 1, 2004
U.S. Treasury Bond	385,100	9.96	November 1, 2004
U.S. Treasury Bond	12,200	9.97	January 1, 2004
U.S. Treasury Bond	23,700	9.98	March 1, 2005
U.S. Treasury Bond	31,700	9.99	May 1, 2005
U.S. Treasury Bond	322,600	10.00	July 1, 2005
U.S. Treasury Bond	393,200	8.724	November 1, 2005
U.S. Treasury Bond	10,900	9.99	January 1, 2006
U.S. Treasury Bond	25,800	9.99	March 1, 2006
U.S. Treasury Bond	37,800	0 *	May 1, 2006
U.S. Treasury Bond	333,900	9.98	July 1, 2006
U.S. Treasury Bond	397,800	0 *	November 1, 2006
U.S. Treasury Bond	9,500	9.97	January 1, 2007
U.S. Treasury Bond	25,200	0 *	May 1, 2007
U.S. Treasury Bond	346,400	9.96	July 1, 2007
U.S. Treasury Bond	385,200	0 *	November 1, 2007
U.S. Treasury Bond	12,600	0 *	May 1, 2008
U.S. Treasury Bond	372,600	0 *	November 1, 2008

* Why no interest?

EXHIBIT E
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

Schedule of United States Treasury obligations — State and Local Government Series that are to constitute the "Restricted Account Subsequent Basic Investments" to be purchased on the dates specified below, that shall have a Yield of zero percent per annum and that shall be held by the "Escrow Trustee" under the Escrow Trust Agreement of which this Exhibit E forms a part:

<u>Required date of Acquisition</u>	<u>Principal Amount</u>	<u>Required Maturity</u>
September 1, 1986	\$ 3,900	March 1, 1987
December 1, 1986	6,700	June 1, 1987
December 1, 1986	1,200	August 1, 1987
February 1, 1987	1,000	June 1, 1987
February 1, 1987	1,600	August 1, 1987
May 1, 1987	1,000	July 1, 1987
May 1, 1987	22,400	November 1, 1987
May 1, 1987	1,000	March 1, 1988
September 1, 1987	1,500	November 1, 1987
September 1, 1987	3,000	March 1, 1988
December 1, 1987	6,800	June 1, 1988
December 1, 1987	1,200	August 1, 1988
February 1, 1988	1,000	June 1, 1988
February 1, 1988	1,000	August 1, 1988
May 1, 1988	23,600	November 1, 1988
May 1, 1988	1,300	March 1, 1989
September 1, 1988	1,000	November 1, 1988
September 1, 1988	2,700	March 1, 1989
December 1, 1988	7,900	June 1, 1989
May 1, 1989	24,000	November 1, 1989
May 1, 1989	1,400	March 1, 1990
September 1, 1989	1,000	November 1, 1989
September 1, 1989	2,700	March 1, 1990
December 1, 1989	7,700	June 1, 1990
May 1, 1990	1,000	July 1, 1990
May 1, 1990	23,700	November 1, 1990
May 1, 1990	1,000	March 1, 1991

<u>Required date of Acquisition</u>	<u>Principal Amount</u>	<u>Required Maturity</u>
September 1, 1990	\$ 1,600	November 1, 1990
September 1, 1990	3,000	March 1, 1991
December 1, 1990	7,500	June 1, 1991
May 1, 1991	24,600	November 1, 1991
May 1, 1991	1,400	March 1, 1992
September 1, 1991	1,000	November 1, 1991
September 1, 1991	2,700	March 1, 1992
December 1, 1991	7,200	June 1, 1992
January 1, 1992	2,300	July 1, 1995
May 1, 1992	24,800	November 1, 1992
May 1, 1992	1,400	March 1, 1993
July 1, 1992	1,300	July 1, 1995
September 1, 1992	1,000	November 1, 1992
September 1, 1992	2,600	March 1, 1993
December 1, 1992	6,700	June 1, 1993
January 1, 1993	2,900	July 1, 1995
May 1, 1993	23,500	November 1, 1993
May 1, 1993	1,400	March 1, 1994
July 1, 1993	1,600	July 1, 1995
September 1, 1993	1,000	November 1, 1993
September 1, 1993	2,600	March 1, 1994
December 1, 1993	6,100	June 1, 1994
January 1, 1994	1,700	July 1, 1995
May 1, 1994	22,100	November 1, 1994
May 1, 1994	1,300	March 1, 1995
July 1, 1994	1,900	July 1, 1995
September 1, 1994	1,000	November 1, 1994
September 1, 1994	1,000	January 1, 1995
September 1, 1994	1,600	March 1, 1995
December 1, 1994	5,200	June 1, 1995
January 1, 1995	2,200	July 1, 1995
May 1, 1995	18,600	November 1, 1995
May 1, 1995	1,400	March 1, 1996
September 1, 1995	1,000	November 1, 1995
September 1, 1995	2,400	March 1, 1996
December 1, 1995	4,300	June 1, 1996
January 1, 1996	1,000	January 1, 2003
May 1, 1996	1,000	July 1, 1996
May 1, 1996	15,200	November 1, 1996
May 1, 1996	1,000	March 1, 1997
July 1, 1996	1,500	January 1, 2003
September 1, 1996	1,500	November 1, 1996
September 1, 1996	2,700	March 1, 1997
December 1, 1996	3,100	June 1, 1997
May 1, 1997	12,500	November 1, 1997

<u>Required date of Acquisition</u>	<u>Principal Amount</u>	<u>Required Maturity</u>
May 1, 1997	\$ 1,300	March 1, 1998
July 1, 1997	1,600	January 1, 2003
September 1, 1997	1,000	November 1, 1997
September 1, 1997	2,100	July 1, 1998
December 1, 1997	1,800	June 1, 1998
January 1, 1998	1,900	January 1, 2003
January 1, 1998	1,800	March 1, 1998
January 1, 1998	41,800	July 1, 1998
January 1, 1998	1,300	November 1, 1998
May 1, 1998	1,000	July 1, 1998
May 1, 1998	7,400	November 1, 1998
May 1, 1998	1,300	March 1, 1999
September 1, 1998	1,000	November 1, 1998
September 1, 1998	1,900	July 1, 1999
January 1, 1999	1,600	January 1, 2003
January 1, 1999	1,500	March 1, 1999
January 1, 1999	39,300	July 1, 1999
January 1, 1999	1,400	November 1, 1999
May 1, 1999	1,000	July 1, 1999
May 1, 1999	3,100	November 1, 1999
May 1, 1999	1,400	March 1, 2000
July 1, 1999	1,200	January 1, 2003
September 1, 1999	1,000	November 1, 1999
September 1, 1999	1,700	July 1, 2000
January 1, 2000	1,200	January 1, 2003
January 1, 2000	1,300	March 1, 2000
January 1, 2000	37,000	July 1, 2000
January 1, 2000	1,100	March 1, 2001
September 1, 2000	1,000	November 1, 2000
September 1, 2000	1,500	July 1, 2001
January 1, 2001	1,800	January 1, 2003
January 1, 2001	1,400	March 1, 2001
January 1, 2001	1,000	May 1, 2001
January 1, 2001	34,000	July 1, 2001
July 1, 2001	1,100	January 1, 2003
September 1, 2001	1,300	March 1, 2002
September 1, 2001	1,300	July 1, 2002
January 1, 2002	1,600	January 1, 2003
January 1, 2002	1,000	March 1, 2002
January 1, 2002	31,500	July 1, 2002
July 1, 2002	2,100	January 1, 2004
September 1, 2002	2,400	July 1, 2003

<u>Required date of Acquisition</u>	<u>Principal Amount</u>	<u>Required Maturity</u>
January 1, 2003	\$ 2,000	March 1, 2003
January 1, 2003	26,400	July 1, 2003
July 1, 2003	2,100	January 1, 2004
September 1, 2003	2,000	July 1, 2004
January 1, 2004	1,600	March 1, 2004
January 1, 2004	22,200	July 1, 2004
July 1, 2004	1,600	January 1, 2005
September 1, 2004	1,500	July 1, 2005
January 1, 2005	1,200	March 1, 2005
January 1, 2005	17,600	July 1, 2005
July 1, 2005	1,000	January 1, 2006
September 1, 2005	1,000	March 1, 2006
January 1, 2006	13,000	July 1, 2006
January 1, 2007	7,200	July 1, 2007

EXHIBIT F
to
ESCROW TRUST AGREEMENT
between
THE WATER WORKS BOARD OF
THE CITY OF BIRMINGHAM
and
AMSOUTH BANK N.A.
dated as of December 1, 1985

ESCROW FUND CASH FLOW

Date	Beginning Cash	Total Receipts From Escrow Fund Basic Investments	Receipts From Restricted Account Subsequent Basic Investments	Required Purchase of Restricted Account Subsequent Basic Investments	Total Debt Service On Refunded Bonds	Minimum Required Escrow Fund Balance
January 1, 1986	3,016,090.63	-0-	-0-	-0-	3,012,136.25	3,954.38
February 1, 1986	3,954.38	-0-	-0-	-0-	3,954.38	-0-
March 1, 1986	-0-	23,305.80	-0-	-0-	23,110.63	195.18
April 1, 1986	195.18	164,483.81	-0-	-0-	164,461.25	217.74
May 1, 1986	217.74	228,354.34	-0-	-0-	228,183.75	388.33
June 1, 1986	388.33	45,795.73	-0-	-0-	45,675.00	509.06
July 1, 1986	509.06	2,104,295.88	-0-	-0-	2,103,996.25	808.69
August 1, 1986	808.69	42,050.80	-0-	-0-	41,854.38	905.12
September 1, 1986	905.12	13,294.42	-0-	3,800.00	9,799.38	500.16
November 1, 1986	500.16	371,148.82	-0-	-0-	371,183.75	465.23
December 1, 1986	465.23	22,698.23	-0-	7,900.00	14,962.50	300.96
January 1, 1987	300.96	1,468,226.89	-0-	-0-	1,468,250.00	277.85
February 1, 1987	277.85	5,720.70	-0-	2,600.00	3,146.88	251.67
March 1, 1987	251.67	19,294.42	3,900.00	-0-	22,799.38	646.71
May 1, 1987	646.71	247,563.90	-0-	24,400.00	223,645.00	165.62
June 1, 1987	165.62	42,298.23	7,700.00	-0-	49,962.50	201.34
July 1, 1987	201.34	2,120,983.49	1,000.00	-0-	2,120,940.00	1,244.83
August 1, 1987	1,244.83	40,520.70	2,800.00	-0-	43,146.88	1,418.66
September 1, 1987	1,418.66	13,058.62	-0-	4,500.00	9,488.13	489.15
November 1, 1987	489.15	343,763.90	23,900.00	-0-	367,645.00	508.05
December 1, 1987	508.05	21,911.29	-0-	8,000.00	14,131.25	288.08
January 1, 1988	288.08	1,420,989.14	-0-	-0-	1,420,952.50	324.72
February 1, 1988	324.72	4,302.60	-0-	2,000.00	2,296.88	330.44
March 1, 1988	330.44	19,858.62	4,000.00	-0-	23,488.13	700.93
May 1, 1988	700.93	243,571.60	-0-	24,900.00	219,085.00	287.54
June 1, 1988	287.54	46,311.29	7,800.00	-0-	54,131.25	267.57
July 1, 1988	267.57	1,874,026.91	-0-	-0-	1,873,982.50	311.98
August 1, 1988	311.98	105,302.60	2,200.00	-0-	107,296.88	517.71
September 1, 1988	517.71	12,772.34	-0-	3,700.00	9,151.88	438.17
November 1, 1988	438.17	339,571.60	24,600.00	-0-	364,085.00	524.77
December 1, 1988	524.77	20,876.73	-0-	7,900.00	13,181.25	320.25
January 1, 1989	320.25	1,571,399.91	-0-	-0-	1,571,450.00	270.16
March 1, 1989	270.16	19,572.34	4,000.00	-0-	23,151.88	690.62
May 1, 1989	690.62	239,458.00	-0-	25,400.00	214,503.75	244.87
June 1, 1989	244.87	45,476.73	7,900.00	-0-	53,181.25	440.35
July 1, 1989	440.35	1,641,587.06	-0-	-0-	1,641,645.00	382.40
September 1, 1989	382.40	12,477.56	-0-	3,700.00	8,815.63	344.33
November 1, 1989	344.33	335,558.00	25,000.00	-0-	360,503.75	398.59
December 1, 1989	398.59	19,800.48	-0-	7,700.00	12,231.25	267.81
January 1, 1990	267.81	1,529,144.65	-0-	-0-	1,529,065.00	347.46
March 1, 1990	347.46	20,077.56	4,100.00	-0-	23,815.63	709.39
May 1, 1990	709.39	235,191.16	-0-	25,700.00	209,901.25	299.30
June 1, 1990	299.30	49,700.48	7,700.00	-0-	57,231.25	468.52
July 1, 1990	468.52	1,615,432.70	1,000.00	-0-	1,615,505.00	1,396.22
September 1, 1990	1,396.22	12,138.98	-0-	4,600.00	8,454.38	480.82
November 1, 1990	480.82	331,591.16	25,300.00	-0-	356,901.25	470.73
December 1, 1990	470.73	18,463.95	-0-	7,500.00	11,162.50	272.18
January 1, 1991	272.18	1,486,911.72	-0-	-0-	1,486,957.50	226.40
March 1, 1991	226.40	20,838.98	4,000.00	-0-	24,454.38	611.00
May 1, 1991	611.00	230,867.62	-0-	26,000.00	205,277.50	201.12
June 1, 1991	201.12	48,863.95	7,500.00	-0-	56,162.50	402.57
July 1, 1991	402.57	1,739,917.10	-0-	-0-	1,739,807.50	512.17
September 1, 1991	512.17	11,747.48	-0-	3,700.00	8,068.13	491.52
November 1, 1991	491.52	327,667.62	25,600.00	-0-	353,277.50	481.64
December 1, 1991	481.64	17,089.87	-0-	7,200.00	10,093.75	277.76
January 1, 1992	277.76	1,458,342.67	-0-	2,300.00	1,456,122.50	197.93
March 1, 1992	197.93	21,347.48	4,100.00	-0-	25,068.13	577.28
May 1, 1992	577.28	266,443.86	-0-	26,200.00	200,632.50	188.64
June 1, 1992	188.64	53,089.87	7,200.00	-0-	60,093.75	384.76
July 1, 1992	384.76	1,805,169.17	-0-	1,300.00	1,803,987.50	266.43
September 1, 1992	266.43	11,304.44	-0-	3,600.00	7,655.00	315.86
November 1, 1992	315.86	428,843.86	25,800.00	-0-	454,632.50	327.22
December 1, 1992	327.22	15,417.67	-0-	6,700.00	8,906.25	138.64

Date	Beginning Cash	Total Receipts From Escrow Fund Basic Investments	Receipts From Restricted Account Subsequent Basic Investments	Required Purchase of Restricted Account Subsequent Basic Investments	Total Debt Service On Refunded Bonds	Minimum Required Escrow Fund Balance
January 1, 1993	138.64	1,408,645.70	-0-	2,900.00	1,405,740.00	144.34
March 1, 1993	144.34	22,004.44	4,000.00	-0-	25,655.00	493.77
May 1, 1993	493.77	216,961.42	-0-	24,900.00	192,422.50	132.70
June 1, 1993	132.70	57,417.67	6,700.00	-0-	63,906.25	344.11
July 1, 1993	344.11	1,880,617.73	-0-	1,600.00	1,878,025.00	336.84
September 1, 1993	336.84	10,801.54	-0-	3,600.00	7,216.25	322.13
November 1, 1993	322.13	422,961.42	24,500.00	-0-	447,422.50	361.05
December 1, 1993	361.05	13,441.57	-0-	6,100.00	7,600.00	102.62
January 1, 1994	102.62	1,628,424.02	-0-	1,700.00	1,626,732.50	94.13
March 1, 1994	94.13	21,601.54	4,000.00	-0-	25,216.25	479.42
May 1, 1994	479.42	207,248.52	-0-	23,400.00	184,191.25	136.69
June 1, 1994	136.69	61,741.57	6,100.00	-0-	67,600.00	378.26
July 1, 1994	378.26	8,779,311.05	-0-	1,900.00	8,777,312.50	476.81
September 1, 1994	476.81	10,291.78	-0-	3,600.00	6,777.50	391.09
November 1, 1994	391.09	542,048.52	23,100.00	-0-	565,191.25	348.36
December 1, 1994	348.36	11,159.39	-0-	5,200.00	6,175.00	132.75
January 1, 1995	132.75	1,216,869.66	1,000.00	2,200.00	1,214,696.25	1,106.16
March 1, 1995	1,106.16	22,291.78	2,900.00	-0-	25,777.50	520.43
May 1, 1995	520.43	191,395.74	-0-	20,000.00	171,720.00	196.17
June 1, 1995	196.17	61,259.39	5,200.00	-0-	66,175.00	480.56
July 1, 1995	480.56	1,387,951.68	13,900.00	-0-	1,401,696.25	635.99
September 1, 1995	635.99	9,722.98	-0-	3,400.00	6,313.13	645.84
November 1, 1995	645.84	502,095.74	19,600.00	-0-	521,720.00	621.58
December 1, 1995	621.58	8,782.15	-0-	4,300.00	4,750.00	353.73
January 1, 1996	353.73	1,149,260.43	-0-	1,000.00	1,148,350.00	264.15
March 1, 1996	264.15	22,922.98	3,800.00	-0-	26,313.13	674.00
May 1, 1996	674.00	176,621.96	-0-	17,200.00	159,907.50	188.46
June 1, 1996	188.46	65,682.15	4,300.00	-0-	69,750.00	420.61
July 1, 1996	420.61	1,156,938.59	1,000.00	1,500.00	1,155,560.00	1,299.19
September 1, 1996	1,299.19	9,094.00	-0-	4,200.00	5,823.13	370.06
November 1, 1996	370.06	493,221.96	16,700.00	-0-	509,907.50	384.52
December 1, 1996	384.52	6,068.02	-0-	3,100.00	3,206.25	146.29
January 1, 1997	146.29	1,090,933.36	-0-	-0-	1,090,150.00	929.64
March 1, 1997	929.64	23,494.00	3,700.00	-0-	26,823.13	1,300.51
May 1, 1997	1,300.51	161,488.48	-0-	13,800.00	148,095.00	893.99
June 1, 1997	893.99	65,368.02	3,100.00	-0-	68,206.25	1,155.76
July 1, 1997	1,155.76	1,321,584.89	-0-	1,600.00	855,780.00	360.64
September 1, 1997	360.64	8,104.24	-0-	3,100.00	5,307.50	357.38
November 1, 1997	357.38	484,688.48	13,500.00	-0-	498,095.00	450.85
December 1, 1997	450.85	3,224.58	-0-	1,800.00	1,662.50	212.93
January 1, 1998	212.93	685,361.53	-0-	46,800.00	638,630.00	144.46
March 1, 1998	144.46	24,204.24	3,100.00	-0-	27,307.50	141.19
May 1, 1998	141.19	145,958.72	-0-	9,700.00	136,282.50	117.41
June 1, 1998	117.41	70,124.58	1,800.00	-0-	71,662.50	379.49
July 1, 1998	379.49	790,661.53	44,900.00	-0-	834,960.00	981.02
September 1, 1998	981.02	7,644.26	-0-	2,900.00	4,766.25	959.02
November 1, 1998	959.02	476,558.72	9,700.00	-0-	486,282.50	935.24
January 1, 1999	935.24	650,333.07	-0-	43,800.00	607,020.00	448.31
March 1, 1999	448.31	21,944.26	2,800.00	-0-	24,766.25	426.31
May 1, 1999	426.31	129,990.74	-0-	5,500.00	124,470.00	447.05
July 1, 1999	447.05	762,833.07	42,200.00	1,200.00	803,850.00	430.12
September 1, 1999	430.12	6,952.85	-0-	2,700.00	4,253.75	429.22
November 1, 1999	429.22	478,990.74	5,500.00	-0-	484,470.00	449.96
January 1, 2000	449.96	615,885.09	-0-	40,600.00	575,410.00	425.05
March 1, 2000	425.05	21,552.85	2,700.00	-0-	24,253.75	424.15
May 1, 2000	424.15	113,046.79	-0-	-0-	112,320.00	1,150.93
July 1, 2000	1,150.93	1,084,285.09	38,700.00	-0-	1,122,740.00	1,396.02
September 1, 2000	1,396.02	6,243.29	-0-	2,500.00	3,741.25	1,398.06
November 1, 2000	1,398.06	471,546.79	1,000.00	-0-	472,320.00	1,624.85
January 1, 2001	1,624.85	570,285.78	-0-	38,200.00	533,300.00	410.63
March 1, 2001	410.63	22,243.29	2,500.00	-0-	24,741.25	412.67
May 1, 2001	412.67	100,051.99	1,000.00	-0-	100,080.00	1,384.66
July 1, 2001	1,384.66	696,085.78	35,500.00	1,100.00	731,130.00	740.44
September 1, 2001	740.44	5,460.89	-0-	2,600.00	3,203.13	398.21
November 1, 2001	398.21	460,131.94	-0-	-0-	460,080.00	450.15
January 1, 2002	450.15	539,197.97	-0-	34,100.00	505,110.00	438.12
March 1, 2002	438.12	23,960.89	2,300.00	-0-	26,203.13	495.88
May 1, 2002	495.88	87,838.50	-0-	-0-	87,840.00	494.38
July 1, 2002	494.38	392,397.97	32,800.00	2,100.00	422,640.00	952.35
September 1, 2002	952.35	4,551.62	-0-	2,400.00	2,613.75	490.22
November 1, 2002	490.22	447,826.82	-0-	-0-	447,840.00	477.03
January 1, 2003	477.03	82,674.13	14,500.00	28,400.00	68,820.00	431.16
March 1, 2003	431.16	24,651.62	2,000.00	-0-	26,613.75	469.03
May 1, 2003	469.03	75,441.45	-0-	-0-	75,420.00	490.48
July 1, 2003	490.48	385,874.13	28,800.00	2,100.00	412,200.00	864.61
September 1, 2003	864.61	3,558.68	-0-	2,000.00	1,998.75	424.53
November 1, 2003	424.53	435,410.69	-0-	-0-	435,420.00	415.22
January 1, 2004	415.22	77,480.89	4,200.00	23,800.00	57,800.00	496.11
March 1, 2004	496.11	25,458.68	1,600.00	-0-	26,998.75	556.04
May 1, 2004	556.04	63,000.61	-0-	-0-	63,000.00	556.65
July 1, 2004	556.65	379,594.81	24,200.00	1,600.00	401,760.00	991.46

Date	Beginning Cash	Total Receipts From Escrow Fund Basic Investments	Receipts From Restricted Account Subsequent Basic Investments	Required Purchase of Restricted Account Subsequent Basic Invest- ments	Total Debt Service On Refunded Bonds	Minimum Required Escrow Fund Balance
September 1, 2004	991.46	2,471.34	-0-	1,500.00	1,358.13	604.67
November 1, 2004	604.67	423,012.78	-0-	-0-	423,000.00	617.45
January 1, 2005	617.45	63,868.53	1,600.00	18,800.00	46,780.00	505.98
March 1, 2005	505.98	26,171.34	1,200.00	-0-	27,358.13	519.20
May 1, 2005	519.20	50,434.80	-0-	-0-	50,400.00	553.99
July 1, 2005	553.99	373,660.36	19,100.00	1,000.00	391,320.00	994.35
September 1, 2005	994.35	1,288.71	-0-	1,000.00	691.88	591.19
November 1, 2005	591.19	410,351.38	-0-	-0-	410,400.00	542.57
January 1, 2006	542.57	45,830.36	1,000.00	13,000.00	33,760.00	612.93
March 1, 2006	612.93	27,038.71	1,000.00	-0-	27,691.88	1,009.77
May 1, 2006	1,009.77	37,800.00	-0-	-0-	37,800.00	1,009.77
July 1, 2006	1,009.77	368,285.91	13,000.00	-0-	380,880.00	1,415.67
November 1, 2006	1,415.67	397,800.00	-0-	-0-	397,800.00	1,415.67
January 1, 2007	1,415.67	27,224.30	-0-	7,200.00	20,840.00	599.97
May 1, 2007	599.97	25,200.00	-0-	-0-	25,200.00	599.97
July 1, 2007	599.97	363,650.72	7,200.00	-0-	370,440.00	1,010.69
November 1, 2007	1,010.69	385,200.00	-0-	-0-	385,200.00	1,010.69
May 1, 2008	1,010.69	12,600.00	-0-	-0-	12,600.00	1,010.69
November 1, 2008	1,010.69	372,600.00	-0-	-0-	372,600.00	1,010.69



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Shelby Cnty Judge of Probate, AL
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