

JEFFERSON COUNTY, ALABAMA
GENERAL OBLIGATION WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
March 31, 2010

The following information is provided by Jefferson County, Alabama (the "County") with regard to its General Obligation Warrants described on Schedule A hereto (the "Warrants"). Although the County has no Continuing Disclosure Agreement with regard to its General Obligation Warrants, Series 2001-B (the "Series 2001-B Warrants") (due to their exemption from the continuing disclosure obligations of SEC Rule 15c2-12), the County has nonetheless determined to include certain information regarding the Series 2001-B Warrants in this Notice in order to provide a more thorough description of the events reflected herein. The Series 2001-B Warrants were issued pursuant to a Trust Indenture, dated as of July 1, 2001 (the "Indenture"), between the County and The Bank of New York Mellon, as trustee (the "Trustee").

Expiration of Liquidity Facility Forbearance Agreement

The Series 2001-B Warrants were originally issued in the principal amount of \$120,000,000. The Series 2001-B Warrants were issued as variable rate demand warrants with the interest rate reset weekly. Under certain circumstances, the holders of the Series 2001-B Warrants have the right to tender such Warrants for purchase at par, plus accrued interest, upon seven days' notice. Also, under certain circumstances, the holders of Series 2001-B Warrants are required to surrender such Warrants for purchase (i.e., a mandatory tender) at par, plus accrued interest.

To provide a source of funds for the payment of the purchase price of Series 2001-B Warrants that are the subject of an optional or mandatory tender, the County entered into a Standby Warrant Purchase Agreement (the "Liquidity Facility") with JPMorgan Chase Bank, N.A. (formerly known as Morgan Guaranty Trust Company of New York) and Bayerische Landesbank, New York Branch (formerly known as Bayerische Landesbank Gironzentrale), each a "Liquidity Provider".

Pursuant to the Liquidity Facility, on March 13, 2008 the Liquidity Banks purchased Series 2001-B Warrants in the aggregate principal amount of \$118,740,000. Additional Series 2001-B Warrants have subsequently been purchased by the Liquidity Banks pursuant to the Liquidity Facility. Under the Liquidity Facility, the County is required to redeem the tendered Series 2001-B Warrants in six equal semiannual installments beginning six months from the date of tender if such Warrants have not been remarketed prior to such redemption dates. The first such redemption was to occur on September 15, 2008. The County did not redeem such Warrants on September 15, 2008, resulting in the occurrence of an Event of Default under the Indenture and the Liquidity Facility. Such Event of Default has caused the Liquidity Banks' obligation under the Liquidity Facility to purchase tendered Series 2001-B Warrants to be terminated.

The County entered into a forbearance agreement with regard to the Series 2001-B Warrants, dated as of September 15, 2008 (the forbearance agreement and the letter agreements extending the forbearance period are herein collectively referred to as the "Forbearance Agreement"), with each of the Liquidity Banks, which was subsequently extended by all parties.

The Forbearance Agreement expired on January 29, 2010. The Liquidity Banks have notified the County by letter dated March 18, 2010, that additional payment Events of Default occurred on March 15, 2009, September 15, 2009 and March 15, 2010. Furthermore, in the March 18, 2010 letter each Liquidity Bank (acting individually or jointly) fully reserves the right, at any time and in the exercise of its sole discretion, to exercise any of its rights or remedies under the Liquidity Facility, the Series 2001-B Warrants and other documents including the Indenture.

Rating Downgrade

Certain of the Warrants are insured by Ambac Assurance Corporation ("Ambac"), as reflected on Schedule A, and were assigned insured ratings by Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings Ltd. ("Fitch").

On March 25, 2010, the rating assigned to Ambac by S&P was reduced from "CC" to "R" to reflect such rating agency's financial strength and financial enhancement rating of Ambac. Pursuant to S&P's rating policy, the Ambac insured Warrants are rated to the higher of the SPUR or the insurer rating. The current long-term insured rating assigned by S&P to the Ambac insured Warrants remains "B" to match the SPUR for those Warrants. The rating for the Ambac insured Warrants is classified as "Outlook Developing" by S&P. In addition, the current "Caa1" long-term insured rating assigned to the Ambac insured Warrants by Moody's is listed as "Not on Watch". Fitch withdrew its long-term insured rating assigned to the Ambac insured Warrants on June 26, 2008. Ratings reports issued by S&P can be obtained from the S&P website at www.standardandpoors.com.

A rating reflects only the view of the agency assigning such rating and is not a recommendation to buy, sell or hold the Warrants. Such rating may be changed at any time, and no assurance can be given that it will not be subject to further revision or withdrawn entirely by the rating agency if, in its judgment, the circumstances so warrant. Any further reduction or withdrawal of the ratings on the Warrants may have an adverse effect on the market price of the Warrants.

SCHEDULE A

Fixed Rate Warrants

<i>Series 2001-A</i>	Maturity	Insurer
472628NQ5	4/1/2010	Ambac
472628NR3	4/1/2011	Ambac

<i>Series 2003-A</i>	Maturity	Insurer
472628PE0	4/15/2010	National
472628PF7	4/15/2011	National
472628PG5	4/15/2012	National
472628PH3	4/15/2017	National
472628PJ9	4/15/2018	National
472628PK6	4/15/2021	National
472628PL4	4/15/2022	National
472628PM2	4/15/2023	National

<i>Series 2004-A</i>	Maturity	Insurer
472628PQ3	4/1/2011	National
472628PR1	4/1/2012	National
472628PS9	4/1/2013	National
472628PT7	4/1/2014	National
472628PU4	4/1/2015	National
472628PV2	4/1/2016	National
472628PW0	4/2/2017	National
472628PX8	4/2/2018	National
472628PY6	4/2/2019	National
472628PZ3	4/2/2020	National
472628QA7	4/2/2021	National
472628QB5	4/2/2022	National
472628QC3	4/2/2023	National
472628QD1	4/2/2024	National

Variable Rate Demand Warrants

<i>Series 2001-B</i>	Maturity
472628NS1	4/1/2021