

JEFFERSON COUNTY, ALABAMA
GENERAL OBLIGATION WARRANTS, SERIES 2001-B

CUSIP Number on Attached Schedule A

MATERIAL EVENT NOTICE
March 17, 2009

The following information is provided by Jefferson County, Alabama (the "County") with regard to its General Obligation Warrants, Series 2001-B (the "Warrants"). Although the County has no Continuing Disclosure Agreement with regard to the Warrants (due to their exemption from the continuing disclosure obligations of SEC Rule 15c2-12), the County has nonetheless determined to give this Notice in order to provide a more thorough description of the events reflected herein. The 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").

Extension of Liquidity Facility Forbearance Agreement

The Warrants were originally issued in the principal amount of \$120,000,000. The Warrants were issued as variable rate demand warrants with the interest rate reset weekly. The holders of the 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 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 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 Providers purchased Warrants in the aggregate principal amount of \$118,740,000. Additional Warrants have subsequently been purchase by the Liquidity Providers pursuant to the Liquidity Facility. Under the Liquidity Facility, the County is required to redeem the tendered 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 Providers' obligation under the Liquidity Facility to purchase tendered Warrants to be terminated.

The County entered into a forbearance agreement with regard to the 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 Providers, which was subsequently extended by all parties. On March 12, 2009, the County executed a letter agreement with the Liquidity Providers which further extended the forbearance period. The letter agreement provides that it is not the Liquidity Providers current intent to exercise their rights and remedies prior to the earlier of (i) 5:00 p.m. (prevailing Birmingham, Alabama time) on June 20, 2009 or (ii) the date on which the forbearance period with respect to the County's variable rate demand sewer revenue warrants terminates or expires without being extended. Interested parties should review the Forbearance Agreement for a complete understanding of its terms.

A copy of the Forbearance Agreement is available on the County's Department of Finance website at www.jeffcofinance.com.

SCHEDULE A

Series 2001-B Warrants

CUSIP	Maturity
472628NS1	4/1/2021