JEFFERSON COUNTY, ALABAMA
SEWER REVENUE WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
March 4, 2008

The following information is provided by Jefferson County, Alabama (the "County") pursuant to certain Continuing Disclosure Agreements executed and delivered by the County in connection with the issuance of certain of the warrants set forth on the attached Schedule A (the "Warrants"), in compliance with Securities and Exchange Commission Rule 15c2-12. Certain of the Warrants were issued at fixed interest rates (the "Fixed Rate Warrants" shown on Schedule A), others were issued as variable rate demand warrants (the "Variable Rate Demand Warrants" shown on Schedule A) and others were issued as auction rate warrants (the "Auction Rate Warrants" shown on Schedule A). Although the County has no Continuing Disclosure Agreement with regard to the Series 2002-A Warrants described in Schedule A (due to their exemption from the continuing disclosure obligations of SEC Rule 15c2-12), the County has nonetheless determined to include such Warrants in this Notice in order to provide a more thorough description of the events reflected herein.

The County filed material event notices dated February 20, 2008 and February 27, 2008 with regard to the Warrants (collectively, the "Prior Notices"). This material event notice describes certain events that have occurred subsequent to the filing of the Prior Notices.

The Warrants were issued and are outstanding under a Trust Indenture dated as of February 1, 1997, as amended and supplemented from time to time (the "Trust Indenture") between the County and The Bank of New York Mellon (the "Trustee").

Ratings Downgrades

Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") (and Fitch Ratings Ltd. on certain series of Warrants) assigned underlying ratings to the various series of Warrants at the time of their issuance based on the rating agencies' assessments of the County's ability to pay debt service on the Warrants. The underlying ratings do not take into account credit enhancement, such as bond insurance, that may also be available to pay debt service. On February 22, 2008, the underlying rating assigned to the Warrants by S&P was reduced from "A" to "BBB". On February 29, 2008, the underlying rating assigned to the Warrants by S&P was further reduced from "BBB" to "B". The ratings reports issued by S&P can be obtained from S&P, the website for which is www.standardandpoors.com.

On February 26, 2008, the underlying rating assigned to the Warrants by Moody's was reduced from "A3" to "Baa3". On March 4, 2008, the underlying rating assigned to the Warrants by Moody's was reduced from "Baa3" to "B3".

The ratings reports issued by Moody's can be obtained from Moody's, the website for which is www.moodys.com. These current underlying ratings of the Warrants are classified as "CreditWatch Negative" by S&P and "Watchlist for Possible Downgrade" by Moody's.

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 affected Warrants.

Interest Rate Swap Agreements

In connection with the issuance of the Warrants, the County entered into thirteen (13) separate interest rate swap transactions with Bank of America, N.A., Bear Stearns Capital Markets Inc., JPMorgan Chase Bank and Lehman Brothers Special Financing Inc. in a current aggregate notional amount of approximately $5.4 billion. The County's obligations to the counterparties under the ISDA Master Agreements and related schedules and annexes (collectively, the "Swap Agreements") that govern such transactions are secured by a pledge of the net sewer revenues of the County that is on a parity with the pledge of such net revenues for the benefit of the Warrants, except with respect to swap termination payments which are secured by a subordinate pledge.

Each Swap Agreement provides that a downgrade of the County's underlying ratings on the Warrants below "BBB" by S&P or below "Baa2" by Moody's constitutes an "Additional Termination Event" thereunder unless the County has within ten days of the date of the downgrade (i) executed and delivered a collateral agreement satisfactory to the counterparty providing for the collateralization of the County's obligations under such Swap Agreement or (ii) obtained an insurance policy by a financial insurer satisfactory to the counterparty insuring the prompt and timely performance of the County's obligations under such Swap Agreement. Any downgrade of the County's underlying ratings on the Warrants below "BBB-" by S&P or below "Baa3" by Moody's will also constitute an "Additional Termination Event" under the Swap Agreements unless the County has within ten days obtained an insurance policy by a financial insurer satisfactory to the counterparties insuring the prompt and timely performance of the County's obligations under the Swap Agreements.

The County has notified the counterparties to the Swap Agreements that it does not presently intend to post collateral or provide insurance to the counterparties for its obligations under the Swap Agreements. The downgrade of the County's underlying rating on the Warrants to "Baa3" by Moody's on February 26, 2008 and the failure to post collateral or provide insurance will result in the occurrence of an Additional Termination Event under each of the Swap Agreements on March 7, 2008. Each counterparty will have the right, exercisable at its discretion, to terminate its swap transactions upon notice to the County, in which event the County would be obligated to pay the resulting termination payment in accordance with the provisions of the Swap Agreements. The aggregate amount of the termination payments that would be due if all of the swap transactions are terminated was approximately $184 million as of February 27, 2008.

Event of Default under Standby Warrant Purchase Agreements

The holders of the Variable Rate Demand 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 Variable Rate Demand 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 Variable Rate Demand Warrants that are the subject of an optional tender or a mandatory tender, the County has entered into Standby Warrant Purchase Agreements (each, a "Liquidity Facility") with a number of different banks (each a "Liquidity Provider"). The insured ratings changes described in the Prior Notices constitute an event of default under each of the Liquidity Facilities. The underlying ratings changes described above also constitute an event of default under each of the Liquidity Facilities. As a result of those defaults, each Liquidity Provider now has the right to terminate its respective Liquidity Facility upon at least 25 days' notice. As of the date of this Notice, the County has received no notice of such a Liquidity Facility termination. In the event that such a termination notice is delivered, the holders of the affected Variable Rate Demand Warrants will be required to make a mandatory tender of such Warrants for purchase prior to the termination date of the related Liquidity Facility.

Each Liquidity Facility provides that the contractual obligation of the related Liquidity Provider to purchase tendered Variable Rate Demand Warrants will terminate immediately upon the occurrence of one of certain specified events of default that result solely from some action or failure to perform on the part of the related bond insurer. To date, no such event has occurred to the County's knowledge.

Any tendered Variable Rate Demand Warrant that is purchased by the applicable Liquidity Provider (a "Bank Warrant") will bear interest at a higher rate (either the "Bank Rate" or the "Default Rate") during the period in which it is held by such Liquidity Provider. The Bank Rates specified under the Liquidity Facilities range from 1% to 3% over the Liquidity Provider's "Base Rate" depending on how long the Warrant is held as a Bank Warrant. The "Base Rate" is generally the greater of the federal funds rate plus ½ of 1%, or the prime rate adopted by the Liquidity Provider. Upon the occurrence and during the continuation of an event of default under a Liquidity Facility, interest on Bank Warrants purchased by such Liquidity Provider accrues at the Default Rate, which ranges from 2% to 3% over the Bank Rate under the Liquidity Facilities. Also, the County covenanted in each Liquidity Facility to effect an optional redemption of Bank Warrants in 16 equal quarterly principal installments, with the first installment being payable on the first business day of the January, April, July or October that first occurs on or following the tender date for the Bank Warrants in question. Such obligation to redeem a particular Bank Warrant will terminate when that Warrant is remarketed or refinanced.

The County is working with its advisors to identify and analyze all feasible means to address the current difficult situation. However, as of the date of this notice, the County can provide no assurance that net revenues from the sewer system will be sufficient to permit the County to meet the interest rate and amortization requirements of the Liquidity Facilities. \

Additional Information

Copies of the Trust Indenture, the Liquidity Facilities and the Swap Agreements can be obtained from the Trustee:

The Bank of New York Mellon
The Financial Center
505 20th Street North
Suite 950
Birmingham, Alabama 35203
Attention: Charles S. Northen IV
Telephone: 205-214-0208
E-mail: charles.northen@bnymellon.com

SCHEDULE A

Fixed Rate Warrants			Bond Insurance
Series 1997 A	CUSIP		
	472682NV1		FGIC
	472682NW9		FGIC
	472682NX7		FGIC
	472682MC4		FGIC
	472682MD2		FGIC
Series 2001 A	CUSIP		
	472682JB0		FGIC
	472682JC8		FGIC
	472682JD6		FGIC
	472682JE4		FGIC
	472682JF1		FGIC
	472682JG9		FGIC
	472682JH7		FGIC
	472682JJ3		FGIC
	472682JL8		FGIC
	472682JM6		FGIC
	472682JN4		FGIC
Series 2003-B-8	CUSIP		
	472682ML4		FSA
	472682MM2		FSA
	472682MN0		FSA
	472682MP5		FSA
	472682MQ3		FSA
	472682MR1		FSA
	472682MS9		FSA
Variable Rate Demand Warrants			
Series 2002 A	CUSIP	Subseries	
	472682JW4	2002 A	FGIC
Series 2002 C	CUSIP	Subseries	
	472682KE2	2002 C-2	XLCA
	472682KF9	2002 C-3	XLCA
	472682KG7	2002 C-4	XLCA
	472682KJ1	2002 C-6	XLCA
	472682KK8	2002 C-7	XLCA
Series 2003 B	CUSIP	Subseries	
	472682LN1	2003 B-2	XLCA
	472682LP6	2003 B-3	XLCA
	472682LQ4	2003 B-4	XLCA
	472682LR2	2003 B-5	XLCA
	472682LS0	2003 B-6	XLCA
	472682LT8	2003 B-7	XLCA

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Auction Rate Warrants			Bond Insurance
Series 2002 C			
	CUSIP	Subseries	
	472682KA0	2002 C-1-A	XLCA
	472682KB8	2002 C-1-B	XLCA
	472682KC6	2002 C-1-C	XLCA
	472682KD4	2002 C-1-D	XLCA
	472682KH5	2002 C-5	XLCA
Series 2003 B			
	CUSIP	Subseries	
	472682LH4	2003 B-1-A	FGIC
	472682LJ0	2003 B-1-B	FGIC
	472682LK7	2003 B-1-C	FGIC
	472682LL5	2003 B-1-D	FGIC
	472682LM3	2003 B-1-E	FGIC
Series 2003 C			
	CUSIP	Subseries	
	472682NA7	2003 C-1	FGIC
	472682NB5	2003 C-2	FGIC
	472682NC3	2003 C-3	FGIC
	472682ND1	2003 C-4	FGIC
	472682NE9	2003 C-5	FGIC
	472682NF6	2003 C-6	FGIC
	472682NG4	2003 C-7	FGIC
	472682NH2	2003 C-8	FGIC
	472682NJ8	2003 C-9	FSA
	472682NK5	2003 C-10	FSA