

JEFFERSON COUNTY, ALABAMA
GENERAL OBLIGATION WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
March 29, 2011

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.

Occupational Tax Litigation

The Warrants are payable from the County’s ad valorem taxes, sales taxes, business license taxes, occupational taxes and other general fund revenues. On March 16, 2011, the Supreme Court of Alabama held the act of the Alabama Legislature authorizing the County’s current occupational tax and business license unconstitutional in a class action lawsuit styled *Jefferson County v. Jeffrey Weissman, D.D.S., et al.*, CV-2009-904022. As a result of this litigation, the County has ceased collecting the two taxes. The occupational tax and the business license tax generated approximately \$46,246,000 for the general fund in fiscal year 2009 and approximately \$75,517,000 for the general fund in fiscal year 2010, representing 21% and 30%, respectively, of the total funds deposited to the general fund in the two most recent fiscal years.

Payment Event of Default

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

Under the terms of the Liquidity Facilities, the County is required to redeem Series 2001-B Warrants purchased by the Liquidity Banks and not remarketed, in six equal semiannual installments beginning six months from the date of tender. The County has been unable, and has failed, to redeem Series 2001-B Warrants held by the Liquidity Banks as required by the Liquidity Facilities on each of the semiannual installment dates including most recently, March 15, 2011.

SCHEDULE A

Fixed Rate Warrants

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

<i>Series 2003-A</i>	Maturity	Insurer
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