

JEFFERSON COUNTY, ALABAMA
SEWER REVENUE WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
October 4, 2010

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, February 27, 2008, March 4, 2008, March 11, 2008, March 31, 2008, April 1, 2008, June 2, 2008, June 9, 2008, June 30, 2008, August 1, 2008, August 13, 2008, September 10, 2008, September 22, 2008, October 6, 2008, October 9, 2008, October 24, 2008, October 28, 2008, November 10, 2008, December 8, 2008, December 19, 2008, January 5, 2009, February 24, 2009, March 9, 2009, April 6, 2009, May 4, 2009, July 6, 2009, August 24, 2009, October 26, 2009 and March 3, 2010 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").

Payment Default

Debt service payments on certain of the Warrants were due on October 1, 2010. The County's net sewer revenues provided to the Trustee were sufficient for payment of all interest due on the Warrants on such date. Certain Warrants have been purchased by Liquidity Providers pursuant to Liquidity Facilities (see Prior Notices) and are insured by bond insurance policies issued by Syncora Guarantee Inc. ("Syncora") and Financial Guaranty Insurance Company ("FGIC"). The Syncora-insured Warrants were called for redemption in part on October 1, 2010 pursuant to the accelerated amortization provisions of such Liquidity Facilities. The County did not pay the redemption price of the \$46,061,250 aggregate principal amount of Syncora-insured Warrants called for redemption on October 1, 2010.

Receiver

On August 3, 2009, the Trustee, on behalf of the warrant holders, filed suit against the County in the Circuit Court of Jefferson County, Alabama (the “Circuit Court”) seeking the appointment of a receiver and a court order requiring the County to raise sewer rates and impose additional user charges and fees to pay bondholders. That suit was styled *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, 01-CV-2009-002318. On September 22, 2010, the Circuit Court entered an order granting the Trustee’s request for the appointment of a receiver.

The County did not undertake in the Continuing Disclosure Agreements to inform investors of developments in this lawsuit. Warrant holders should contact the Trustee for additional information regarding this lawsuit.

SCHEDULE A

Fixed Rate Warrants	Bond Insurer	
<i>Series 1997 A</i>		
<u>CUSIP</u>		
472682NV1	FGIC	
472682NW9	FGIC	
472682NX7	FGIC	
472682MC4	FGIC	
472682MD2	FGIC	
<i>Series 2001 A</i>		
<u>CUSIP</u>		
472682JD6	FGIC	
472682JE4	FGIC	
472682JF1	FGIC	
472682JG9	FGIC	
472682JH7	FGIC	
472682JJ3	FGIC	
472682JL8	FGIC	
472682JM6	FGIC	
472682JN4	FGIC	
<i>Series 2003 A</i>		
<u>CUSIP</u>		
010653QV8		
010653QW6		
010653QX4		
010653QY2		
010653QZ9		
010653RA3		
<i>Series 2003-B-8</i>		
<u>CUSIP</u>		
472682MM2	FSA	
472682MN0	FSA	
472682MP5	FSA	
472682MQ3	FSA	
472682MR1	FSA	
472682MS9	FSA	
Variable Rate Demand Warrants		
<i>Series 2002 A</i>		
<u>CUSIP</u>	<u>Subseries</u>	
472682PU1	2002 A	FGIC
<i>Series 2002 C</i>		
<u>CUSIP</u>	<u>Subseries</u>	
472682PV9	2002 C-2	Syncora
472682PW7	2002 C-3	Syncora
472682PX5	2002 C-4	Syncora
472682PY3	2002 C-6	Syncora
472682PZ0	2002 C-7	Syncora
<i>Series 2003 B</i>		
<u>CUSIP</u>	<u>Subseries</u>	
472682QA4	2003 B-2	Syncora
472682QB2	2003 B-3	Syncora
472682QC0	2003 B-4	Syncora
472682QD8	2003 B-5	Syncora
472682QE6	2003 B-6	Syncora
472682QF3	2003 B-7	Syncora

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Auction Rate Warrants**Bond
Insurer***Series 2002 C*

CUSIP	Subseries	
472682KA0	2002 C-1-A	Syncora
472682KB8	2002 C-1-B	Syncora
472682KC6	2002 C-1-C	Syncora
472682KD4	2002 C-1-D	Syncora
472682KH5	2002 C-5	Syncora

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