

JEFFERSON COUNTY, ALABAMA
GENERAL OBLIGATION WARRANTS

Series Designations and CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE

April 6, 2012

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.

Payment Default

Debt service payments on the Warrants were due on April 2, 2012. On March 28, 2012, the Jefferson County Commission adopted a resolution attached hereto as Exhibit I instructing the County Manager to forego paying the April 2, 2012 debt service payments. Certain of the Warrants are insured by National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation) ("National"), as reflected on Schedule A (the "National-insured Warrants"). The debt service payments for the National-insured Warrants were paid by draws on the National policies insuring such Warrants. The County expects to suspend further debt service payments on the Warrants until such debt service can be restructured under the County's Plan of Adjustment under Chapter 9.

Rating Downgrades

The National-insured Warrants were assigned insured ratings by Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings Ltd. S&P and Moody's also assigned underlying ratings to each of 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.

On April 2, 2012, the underlying rating assigned to the Warrants by Moody's was reduced from 'Caal' to 'Caa3'. The current underlying rating of the Warrants is classified as "Under Review for Downgrade" by Moody's. Ratings reports issued by Moody's can be obtained from the Moody's website at www.moodys.com.

On April 4, 2012, the underlying rating assigned to the National-insured Warrants by S&P was reduced from 'C' to 'D'. Ratings reports issued by S&P can be obtained from the S&P website at www.standardandpoors.com.

SCHEDULE A

Fixed Rate Warrants

<i>Series 2003-A</i>	<u>Maturity</u>	<u>Insurer</u>
472628PH3	4/1/2017	National
472628PJ9	4/1/2018	National
472628PK6	4/1/2021	National
472628PL4	4/1/2022	National
472628PM2	4/1/2023	National

<i>Series 2004-A</i>	<u>Maturity</u>	<u>Insurer</u>
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>	<u>Maturity</u>
472628NS1	4/1/2021

EXHIBIT I

RESOLUTION

WHEREAS, Alabama counties lack home rule and are therefore unable to raise revenue without express statutory authorization from the Alabama Legislature;

WHEREAS, Jefferson County's substantial source of unearmarked governmental funds was an occupational tax; and

WHEREAS, the Alabama Supreme Court has determined that the 2009 statute authorizing the occupational tax was improperly advertised by the Alabama Legislature and is therefore invalid; and

WHEREAS, the Alabama Legislature has failed to date to lawfully enact a statute to replace the lost unearmarked governmental funds; and

WHEREAS, the County's governmental funds are the primary funding sources for essential services including, among other things, the court system, the Sheriff, the jail, the District Attorney, building permits and inspections, land use and zoning, road maintenance, disaster response, senior services, distribution of revenues to public school systems, municipalities, fire districts and the State of Alabama, and are the sole source for payment of the County's general obligation debt; and

WHEREAS, the loss of the unearmarked governmental funds has resulted in the cessation of numerous services provided to the citizens of the County and has already jeopardized the health, safety and welfare of the citizens of the County; and

WHEREAS, the County's general obligation debt consists of \$200,520,000 resulting from three series of general obligation warrants issued in 2001, 2003 and 2004 (the "GO Debt"); and

WHEREAS, approximately \$15,391,753 in payments of GO Debt are due on April 2, 2012 (the "April 2 GO Debt Payment"); and

WHEREAS, the Jefferson County Commission hereby concludes that making the April 2 GO Debt Payment will accelerate the exhaustion of the unearmarked governmental funds and render the County unable to pay necessary and legitimate expenses of government and to provide essential services to the citizens of the County.

NOW THEREFORE BE IT RESOLVED BY THE JEFFERSON COUNTY COMMISSION that the County Manager shall not make the April 2 GO Debt Payment.