

PRESS RELEASE
Jefferson County, Alabama – March 28, 2012

Before and since filing for Chapter 9 bankruptcy, Jefferson County was current on all of its General Obligation Warrants, except for the Series 2001-B General Obligation Warrants held by two liquidity banks. The County announced today that it will not make the principal and interest payments due April 1, 2012 on any of its Series 2001-B, Series 2003-A or Series 2004-A General Obligation Warrants. The County expects to be unable to resume payments on those warrants until they are restructured or reinstated under the County's Plan of Adjustment in the Chapter 9 case. Any such restructuring or reinstatement is dependent on legislative action to provide a stable, long term source of general fund revenues to the County.

Jefferson County takes seriously its responsibility to honor its General Obligation Warrants. However, the County has determined that it must suspend payments on its General Obligation Warrants so the County can preserve its remaining funds to protect the health, safety and welfare of the citizens of the County and to pay its employees and vendors who provide those services. This can only be done if vendors and employees are paid on time.

Jefferson County is not authorized under State law to increase revenues to pay its General Obligation Warrants and pay the necessary and legitimate expenses of providing essential services to its citizens. Only the Alabama Legislature has the authority to authorize a county in Alabama to raise taxes to pay its debts and to protect the health, safety and welfare of its citizens.