

AGENDA
BOARD OF COMMISSIONERS AGENDA COMMITTEE MEETING
Tuesday, August 10, 2010, 6:30 p.m.
Room 430, Blount County Courthouse

A. ROLL CALL.

B. PUBLIC INPUT ON ITEMS ON THE AGENDA.

C. APPROVAL OF AGENDA COMMITTEE MINUTES

1. June 10, 2010 meeting.
2. July 6, 2010 meeting.

D. SETTING OF AGENDA.

E. ITEMS FOR CONSENT AGENDA.

1. Resolutions for special recognitions.
 - a. Resolutions honoring outgoing elected officials. (Commission)
 - b. Resolution honoring UT-Agriculture Extension. (Mark Hasty)
2. Appointments/Reappointments.
 - a. Appointment of Dr. Robert Potter as Blount County Medical Examiner. (County Mayor)
 - b. Appointments (2) - Board of Zoning Appeals. (Commission)
 - c. Appointment – Planning Commission – James Hoppa. (County Mayor)
 - d. Reappointment of Mr. David Black to the Board of the Tellico Reservoir Development Agency for a six year term, ending August 31, 2016. (County Mayor)
 - e. Reappointments - Board of Construction Appeals – Doug McClanahan and Donald Adsit. (Co. Mayor)
 - f. Reappointments – Tuckaleechee Utility Board – John P. Davis, Jr., Thomas S. Talley. (Inform. Only)

F. UNFINISHED BUSINESS:

1. Parking of vehicles on county roads. (Scott Helton)
2. Update regarding Ad Hoc Committee to Study the Use of County Roads for Organized Events. (Bill Dunlap)

G. NEW BUSINESS:

1. Budget Transfers.
 - a. General Purpose Schools - \$197,000.00.
2. Budget Increases.
 - a. Extended School Program - \$12,000.00.
 - b. General County/General Administration. (County Mayor)
3. Other Budget Items.
4. Resolution authorizing the lease under Tennessee Code Annotated 7-51-904 of an office copier for the Clerk & Master's Office of Blount County. (Purchasing Commission)
5. Agreement between Blount Memorial Hospital, Inc., Blount County, City of Maryville and City of Alcoa regarding In Lieu of Taxes concerning Blount Memorial Hospital. (County Mayor)
6. A resolution to amend the travel reimbursement rates as approved by the State of Tennessee. (County Mayor)
7. Intergovernmental Contract with Motorola for radio system upgrade. (County Mayor)
8. Petition for Traffic Calming Measures for Southfork Place. (Highway Department)
9. Resolution to adopt the Strategic Economic Development Plan. (County Mayor)
10. Resolution to affirm compliance with Federal Title VI Regulations. (County Mayor)
11. Setting of Public Hearing:
 - a. Amendment to zoning regulations concerning design requirements in rural arterial commercial zones. (Planning Commission)

H. PUBLIC INPUT ON ITEMS NOT ON AGENDA.

I. ADJOURNMENT.

**STATE OF TENNESSEE
COUNTY OF BLOUNT**

BE IT REMEMBERED, that an Agenda Committee of the Blount County Board of County Commissioners meeting was held on Tuesday, June 10, 2010, at 6:30 pm at the courthouse in Maryville, Tennessee.

Roll call was taken by Roy Crawford, Jr., County Clerk:

David Ballard, Jr. – present	Mark Hasty – present	Joe McCulley – present
Tonya Burchfield – absent	Scott Helton – present	Kenneth Melton – present
Gary Farmer – present	John Keeble – present	Monika Murrell – present
Ron French – present	Gerald Kirby – present	Robert Proffitt – present
David Graham – present	Holden Lail – absent	Wendy Pitts Reeves – present
Steve Hargis – present	Peggy Lambert – present	Steve Samples – present
Brad Harrison – present	Mike Lewis – present	Mike Walker – present

There were 19 present and 2 absent. Commissioner Burchfield arrived after the roll was taken. Chairman Pro Tem Farmer declared a quorum to exist. The following proceedings were held to-wit:

IN RE: MINUTES OF MAY 11, 2010 AGENDA COMMITTEE.

Commissioner Hargis made a motion to approve the minutes. Commissioner Walker seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: SETTING OF AGENDA.

Commissioner Helton made a motion to set the agenda and add Election Results to the consent agenda, software agreement for Circuit Court Clerk, and Business Tax Refund to the agenda. Commissioner Proffitt seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

**IN RE: CONSENT CALENDAR:
MINUTES OF MAY 20, 2010 MEETING and
APPROVAL OF DEPUTY SHERIFF AND NOTARY PUBLIC BONDS AND OATHS
ELECTION OF NOTARIES and
ELECTIONS, APPOINTMENTS, AND CONFIRMATIONS: HAROLD NARAMORE, DAVID
KNOLL – BOARD OF HEALTH and
ELECTION RESULTS.**

Commissioner Walker made a motion to send the items to the consent calendar of the June 17, 2010 Commission meeting. Commissioner Helton seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
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Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: REQUEST REGARDING ABANDONMENT OF A PORTION OF FORMER RIGHT OF WAY ON MUSTANG DRIVE.

Commissioner French made a motion to send the item to the agenda of the June County Commission meeting. Commissioner Lambert seconded the motion.

A voice vote was taken with Chairman Pro Tem Farmer declaring the motion to have passed.

**IN RE: BUDGET TRANSFER - HIGHWAY FUND - \$40,800.00 and
BUDGET TRANSFER - GENERAL COUNTY FUND - \$3,500.00
BUDGET TRANSFER - GENERAL COUNTY FUND - \$350,000.00
BUDGET TRANSFER - GENERAL COUNTY FUND - \$4,000.00
BUDGET TRANSFER – COURTHOUSE & JAIL MAINTENANCE FUND - \$25.00.**

Commissioner Keeble made a motion to send the transfers to the agenda for the June County Commission meeting. Commissioner Walker seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

**IN RE: RESOLUTION TO AMEND GENERAL COUNTY FUND BUDGET - \$582,409.12 and
RESOLUTION TO AMEND GENERAL COUNTY FUND BUDGET - \$25,000.00 and
RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET – \$175,000.00.**

Commissioner Keeble made a motion to send the resolutions to the agenda for the June County Commission meeting. Commissioner Hargis seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: RESOLUTION RELATING TO AN APPLICATION TO THE TENNESSEE STATE SCHOOL BOND AUTHORITY FOR A LOAN OF PROCEEDS OF QUALIFIED SCHOOL CONSTRUCTION BONDS.

Commissioner French made a motion to send the resolution to the agenda of the June County Commission meeting. Commissioner Keeble seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	

Graham – yes Kirby – yes Murrell – yes
Hargis – yes Lail – absent Proffitt – yes

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: RESOLUTION TO TRANSFER FUNDS FROM GENERAL PURPOSE SCHOOL FUNDS TO FEDERAL PROJECTS FUND FOR FISCAL YEAR ENDING JUNE 30, 2010.

Commissioner Keeble made a motion to send the resolution to the agenda of the June County Commission meeting. Commissioner Burchfield seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: RESOLUTION SETTING TAX RATE FOR FISCAL YEAR 2010-2011.

Commissioner Samples made a motion to send the resolution to the agenda of the June County Commission meeting at a rate of \$2.04 and that the Finance Director bring back a recommended appropriation and division of the penny next week. Commissioner Lambert seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: RESOLUTION APPROVING AN AMBULANCE CONTRACT WITH RURAL METRO and RESOLUTION FOR THE ADMINISTRATION OF BLOUNT COUNTY'S SELF-INSURED MAJOR MEDICAL AND DENTAL PLANS and PETITION REGARDING TRAFFIC CALMING DEVICES ON OLIVER AVENUE and PETITION REGARDING TRAFFIC CALMING DEVICES ON WESTMORELAND DRIVE AND WEST WOODBINE DRIVE and OPEN GARBAGE BARRELS AT PICNIC AREAS ALONG LITTLE RIVER and RESOLUTION OF SUPPORT FOR SCHOOL RESOURCE OFFICERS IN BLOUNT COUNTY SCHOOLS and RESOLUTION TO EXTEND AN AGREEMENT BEYOND THE END OF THE CURRENT FISCAL YEAR FOR GOVERNMENT SERVICE AUTOMATION, INC and BUSINESS TAX REFUND.

Commissioner Kirby made a motion to send the items to the agenda of the June County Commission meeting. Commissioner Melton seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 20 voting yes, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: RESOLUTION MAKING APPROPRIATIONS TO NON-PROFIT CHARITABLE ORGANIZATIONS OF BLOUNT COUNTY, TENNESSEE, FOR THE FISCAL YEAR BEGINNING JULY 1, 2010, AND ENDING JUNE 30, 2011.

Commissioner Keeble made a motion to send the resolution to the agenda of the June County Commission meeting. Commissioner Melton seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – no
French – yes	Keeble – yes	Melton – yes	
Graham – yes	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – absent	Proffitt – yes	

There were 19 voting yes, 1 voting no, and 1 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: ADJOURNMENT.

Chairman Pro Tem Farmer declared the meeting to be adjourned.

**STATE OF TENNESSEE
COUNTY OF BLOUNT**

BE IT REMEMBERED, that an Agenda Committee of the Blount County Board of County Commissioners meeting was held on Tuesday, July 6, 2010, at 6:30 pm at the courthouse in Maryville, Tennessee.

Roll call was taken by Roy Crawford, Jr., County Clerk:

David Ballard, Jr. – present	Mark Hasty – present	Joe McCulley – present
Tonya Burchfield – present	Scott Helton – present	Kenneth Melton – present
Gary Farmer – present	John Keeble – present	Monika Murrell – present
Ron French – present	Gerald Kirby – present	Robert Proffitt – absent
David Graham – absent	Holden Lail – present	Wendy Pitts Reeves – present
Steve Hargis – present	Peggy Lambert – present	Steve Samples – present
Brad Harrison – present	Mike Lewis – present	Mike Walker – present

There were 19 present and 2 absent. Chairman Pro Tem Farmer declared a quorum to exist. The following proceedings were held to-wit:

IN RE: JULY COUNTY COMMISSION MEETING.

Commissioner Helton made a motion to transfer all items to the agenda of the August Agenda Committee meeting and to cancel the July County Commission meeting. Commissioner French seconded the motion.

A roll call vote was taken on the motion:

Ballard – yes	Harrison – yes	Lambert – yes	Reeves – yes
Burchfield – yes	Hasty – yes	Lewis – yes	Samples – yes
Farmer – yes	Helton – yes	McCulley – yes	Walker – yes
French – yes	Keeble – yes	Melton – yes	
Graham – absent	Kirby – yes	Murrell – yes	
Hargis – yes	Lail – yes	Proffitt – absent	

There were 19 voting yes, and 2 absent. Chairman Pro Tem Farmer declared the motion to have passed.

IN RE: ADJOURNMENT.

Chairman Pro Tem Farmer declared the meeting to be adjourned.



JERRY G. CUNNINGHAM

Blount County Mayor

341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705



TO: Blount County Board of Commissioners

FROM: Jerry G. Cunningham, County Mayor 

RE: Blount County Medical Examiner

DATE: June 29, 2010

For your consideration, I nominate Dr. Robert Potter as Blount County Medical Examiner.

Dr. Potter shall serve as medical examiner for a five (5) year term pursuant to T.C.A. §38-1-104(c).

See attached letter of resignation from Dr. David Gilliam.



**Blount Memorial
Hospital**

907 East Lamar Alexander Parkway
Maryville, TN 37804-5016
865-977-5595

March 10, 2010

Mayor Jerry Cunningham
Blount County Mayor's Office
Blount County Courthouse
341 Court Street
Maryville, TN 37804-5906
Phone (865) 273-5700
Fax (865) 273-5705

Mayor Cunningham:

In compliance with Tennessee Code Annotated 38-7-104, (c), "a county medical examiner shall serve a five (5) year term and shall be eligible for a reappointment by the county mayor with confirmation by the county legislative body", my term of appointment has expired. I have currently served over ten (10) years consecutively.

I hereby tender my resignation as Blount County Medical Examiner effective April 1st, 2010.

In accordance with Tennessee Code Annotated 38-7-104, (a), "a county medical examiner shall be appointed by the county mayor subject to confirmation by the county legislative body based on a recommendation from the commission of physicians resident in the county". The Blount County Medical Society is a proper entity to obtain a list of candidates. I do not wish to be reappointed to the position.

It has been an honor to serve the citizens of Blount County for the last twelve (12) years.

Sincerely,

David M. Gilliam, MD
Blount County Medical Examiner
DMG/mar

*Division of Pathology
and Laboratory Medicine*

Pathologists

865-981-2335
865-977-5766 fax

*David M. Gilliam, MD
Director of Laboratories*

John R. Hilsenbeck Jr., MD

Robert M. Potter, MD

Michael D. Teague, MD

Clinical Scientist

*Ernest W. Fuson, PhD
865-977-5598*

Blount County Commissioners:

Regarding my reappointment to the Board of Zoning Appeals.

July 2, 2010

I took my appointment on the Board of Zoning Appeals as a serious commitment to the citizens of Blount County. As evidenced, I have tried to honor this commitment and have only missed one meeting of the Board, since being appointed in 2005.

I accepted this position on the Board with the full intention of applying the County Zoning Regulations and the State of Tennessee Regulations in an equal standard to every citizen within Blount County. But, with the changes and proposed amendments to these regulations I have found it hard to honor my commitment to these citizens. In my opinion, these changes to the county regulations would mandate the BZA to approve uses within the county that would affect the quality of life and the property value of the surrounding properties and would allow potential uses I would not desire to have in my own area of the county; such as airstrips, campgrounds, and outdoor shooting ranges.

Furthermore, shortly after my appointment, I addressed my opinion that Section 5.4 of the county zoning regulations, allows the BZA to approve a new nonconforming use for some property owners that these same regulations deny to the majority of land owners of the district in question.

I presented information to the County Planning Commission, the County Mayor's office, and to the County Commission. This information consisted of a decision from the State of Tennessee Court of Appeals, which quoted TCA 13-7-208 and pointed out several times that **A nonconforming use which is in existence, cannot be changed into other kind of nonconforming use.**" (Or one that is not listed as an approved use within our regulations.) The information also contained an opinion from the Legal Department of (CTAS), the County Technical Assistance Service, in which they stated the same opinion. I also included supporting references to these decisions from the Tennessee Planning Commissioner Training Handbook "A Closer Look at Zoning", which included the following statement "Using the BZA to add a use that is not listed either by right or appeal is not a valid exercise of either of these functions, but is instead in effect a rezoning of the property that can only be accomplished by the legislative body of the county."

Based upon the above, I feel that I cannot apply the county regulations equally to every citizen of the County. I further feel that if I am mandated to approve uses within the county that, in my opinion, would be harmful to the surrounding property owners. I feel I can no longer, in good faith, honor my commitment to the citizens of this County. Therefore, I am requesting that the County Commission appoint someone else to my seat to the Board of Zoning Appeals.

Larry Campbell

P.S.



Please let me explain why I am of the opinion that the county zoning regulations mandate that I approve these uses;

Section 11.5 –F states “The Board shall approve the special exception, unless the application is incomplete, the requested exception is not within the authority of these provisions, or it will not comply with the requirements of these regulations.

Note: If the request is listed within the regulations then it would be in compliance and within the authority of these regulations.

In closing let me quote Winston Churchill: “With integrity nothing else counts and without integrity nothing else counts.”

<http://www.merriam-webster.com/dictionary/integrity> (1: firm adherence to a code of especially moral or artistic values)

I would request that you consider appointing Mr. Jim Melton to take my position on this Board.

Please see attached referenced material:

- Letter to CTAS & Reply from Their Legal Department
- Statements from the Tennessee Court of Appeals case “Lafferty/ vs. / City of Winchester, December 7, 2000 (<http://www.tsc.state.tn.us/opinions/tca/PDF/004/Laffertyr.pdf>)
- Information contained within the Tennessee Planning Commissioner Training Handbook: “A Closer Look at Zoning” (www.tnapa.org/docs/Zoning_HB.pdf) Page 12 & 13,
- The American Law of Zoning 6.36
- Information from the December 4, 2008, joint training class for the Cities of Maryville, Alcoa, Townsend, Friendsville, and Blount County, given by Ms. Jessiman, from the State of Tennessee Economic & Community Development Office.
- Letter from the City of Alcoa Planning Commission (From the June 2006 Blount County Commission package.)

Letter to CTAS & Reply from Their Legal Department

From: Larry Campbell [mailto:lmtn@bellsouth.net]

Sent: Tuesday, February 03, 2009 10:38 AM

To: Woody, Ron

Subject: Section 5.4

Mr. Woody,

I am a member of the Blount County board of Zoning Appeals and therefore hope that you will respond to the following.

I am of the understanding that a local county or city board can adopt regulations, within their area, that can be more stringent than a state regulation, but they cannot adopt any regulation that would be less stringent than any state regulation. Therefore, I would like to address the wording found in the Blount County Zoning Regulation 5.4 compared to the wording found in TCA 13-7-208 (b) (1) & (c) which states the following:

TCA 13-7-208

(b) (1) In the event that a zoning change occurs in any land area where such land area was not previously covered by any zoning restrictions of any governmental agency of this state or its political subdivisions, or where such land area is covered by zoning restrictions of a governmental agency of this state or its political subdivisions, and such zoning restrictions differ from zoning restrictions imposed after the zoning change, then any industrial, commercial or business establishment in operation, permitted to operate under zoning regulations or exceptions thereto prior to the zoning change shall be allowed to continue in operation and be permitted; **provided, that no change in the use of the land is undertaken by such industry or business.**

(c) **Industrial, commercial or other business establishments in operation and permitted to operate under zoning regulations or exceptions thereto in effect immediately preceding a change in zoning shall be allowed to expand operations and construct additional facilities which involve an actual continuance and expansion of the activities of the industry or business which were permitted and being conducted prior to the change in zoning.**

Blount County Zoning Regulation:

Section 5.4. Change from Non-Conforming Use. In addition to uses specifically permitted in a zone by this Resolution, a non-conforming use may be changed to another use in the same buildings and at the same site; provided that such use is approved as a special exception by the Board of Zoning Appeals under Section 11.5 hereof and the Board of Zoning Appeals finds that such use is of lesser impact than the original non-conforming use.

It seems that Mr. Lamb, the Blount County Planning Director, and I have a different opinion on this issue. He states in his following memo: (January 22, 2009)

Staff note: The above Section 5.4 is based on allowance in State Statute for special exception approval of uses by the Board of Zoning Appeals, and does not constitute a change to another non-conforming use. **Any approved new use would be conforming since it would be a new special exception** allowed by regulation and appropriate process in the BZA.

But, I am under the impression that if the Board follows the county regulations to approve a special exception then the Board could not approve any use that would not be listed within the regulations for the specify district in question.

Using this fact, along with the information of the December 4, 2008, joint training class for the Cities of Maryville, Alcoa, Townsend, Friendsville, and Blount County, Ms. Jessiman, from the State of Tennessee Economic & Community Development Office, instructed us on the Powers and Procedures of the Board of Zoning Appeals. She stated that A Special Exception is a request in which the ordinance implicitly list the item as a permitted use.”

Please, consider the above information and respond. I take my position on this Board as a serious commitment to the citizens of the county and therefore I want to base my vote on any issue upon following the state and county regulations.

Thanks

Larry Campbell

lmtn@bellsouth.net

2-04-09

I'm forwarding your email on to our legal department.

Ron Woody

University of Tennessee

County Technical Assistance Service

Office 865.946.3212

Fax 865.946.3214

2-06-09

Larry, here is our response from legal. Hope this helps address your question

Ron,

Someone who loses their nonconforming use status has two choices—they can either use the property in a manner specifically allowed in their district or they may request a special exception. That special exception does have to be an exception that is provided for in the zoning ordinance. Granting a totally new use, not already set forth in the zoning ordinance as a special exception, would, in my opinion, amount to an amendment of the zoning ordinance which may only be done by the county legislative body.

Thanks,
Kristy

Ron Woody

University of Tennessee

County Technical Assistance Service

Office 865.946.3212

Fax 865.946.3214

- From the Tennessee Court of Appeals case “Lafferty/ vs. / City of Winchester, December 7, 2000

This case refers to State Regulation 13-7-208 several times, with the following statements:

- A.) Property owners whose property qualifies as a nonconforming use do not permit an established nonconforming use to be changed to some other nonconforming use. T.C.A. § 13-7-208(b-d)

 - B.) A nonconforming use is in existence cannot be changed into some other kind of nonconforming use.”

 - C.) A nonconforming use under Tenn. Code Ann. § 13-7-208(b) may expand, as long as they continue to be engaged in the same business. “However, these provisions do not permit an established nonconforming use to be changed to some other nonconforming use.
-

- Information contained within the Tennessee Planning Commissioner Training Handbook: “A Closer Look at Zoning” Published in May, 2004

Where it states:

- A.) *Tennessee Code Annotated* Section 13-7-208 gives protection to commercial uses under certain conditions. But it also states that A protected non-conforming use would lose its status if the use changes.
 - B.) A decision on a special exception should be made deliberately, with a review of the use against stated criteria.
 - C.) Using the BZA to add a use that is not listed either by right or on appeal is not a valid exercise of either of these functions, but is instead in effect a rezoning of the property that can only be accomplished by the legislative body.
-

- The American Law of Zoning 6.36, where we find:

- A.) One nonconforming use may not be substituted for another and the courts have found that this would be an unlawful change of use.

 - B.) One nonconforming use may not automatically be substituted for another, prior nonconforming use.

 - C.) Courts have held that any legal nonconforming use rights the property may have once enjoyed could not be passed on.
-

- Information of the December 4, 2008, joint training class for the Cities of Maryville, Alcoa, Townsend, Friendsville, and Blount County,

Ms. Jessiman, from the State of Tennessee Economic & Community Development Office, instructed us on the Powers and Procedures of the Board of Zoning Appeals. She stated that A Special Exception is a request in which the ordinance implicitly list the item as a permitted use.”

From the information for the July 16th, 2006 meeting of the Blount County Commission, regarding item M-3 a Resolution to amend section 5.4 of the Blount County Zoning Resolution, Concerning change from non-conforming. The City of Alcoa had sent a letter stating the following:

In response to the request from the Blount County Planning Department, the City of Alcoa stated:

“The Alcoa Planning Commission met on May 18, 2006 to consider your request for review of Section 5.4 of the Blount County Zoning Resolution, Change from Non-Conforming Use.

The City of Alcoa has reviewed said recommendations and recommends disapproval of the amendment, in that state statute, as applied by the courts to both municipal and county zoning, disallows a change of non-conforming use from one use to another.”



OFFICE OF PLANNING AND DEVELOPMENT

223 Associates Blvd., Alcoa, TN 37701-1943

(865) 380-4730 FAX (865) 380-4744

May 23, 2006

Mr. John Lamb
Blount County Planning Department
327 Court Street
Maryville, TN 37804-5906

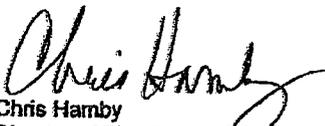
Subject: Zoning regulation amendment recommendations from the Planning Commission

Dear John:

The Alcoa Regional Planning Commission met in regular session on May 18, 2006, to consider your request for review and recommendation of certain amendments to the Blount County Zoning Resolution. Please find enclosed PC Resolutions 2006-30 and 2008-31.

Thank you for allowing us to comment on this matters and if you should have any questions, please do not hesitate to contact me.

Sincerely,


Chris Hamby
Director of Planning and Codes

EXCELLENCE IN SERVICE - QUALITY OF LIFE



RESOLUTION

BE IT RESOLVED, by the Alcoa Municipal/Regional Planning Commission in regular session of May 18, 2006, in accordance with the provisions of TCA Section 13-7-104, that the certifying regional planning Commission (Alcoa Regional Planning Commission), first approve, disapprove or suggest to the county legislative body any change or departure from the zoning ordinance text or maps; and,

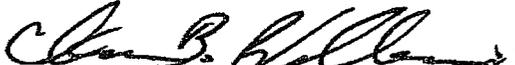
WHEREAS, the Blount County Planning Commission is recommending the amendment of the Zoning Resolution of Blount County, Tennessee, to revise the current wording in the zoning resolution regarding a change in a non-conforming use to incorporate the original intent of the ordinance and to remedy a flaw in its original wording, as follows:

SECTION 1. That Section 5.4 of the Blount County Zoning Resolution be amended to read as follows:

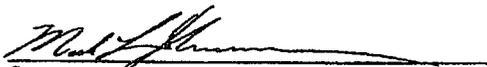
Section 5.4. Change from Non-Conforming Use. In addition to uses specifically permitted in a zone by this Resolution, a non-conforming use may be changed to another use in the same building and at the same site; provided that such use is approved as a special exception by the Board of Zoning Appeals under Section 11.5 hereof and the Board of Zoning Appeals finds that such use is of lesser impact than the original non-conforming use.

NOW THEREFORE, BE IT RESOLVED by the City of Alcoa Municipal/Regional Planning Commission, that it has heard and reviewed said recommendations and upon said review recommends disapproval of the above referenced amendment, in that state statute, as applied by the courts to both municipal and county zoning, disallows a change of non-conforming use from one use to another.

ADOPTED this 18th day of May, 2006.


Chairperson, Alcoa Municipal/Regional Planning
Commission

ATTEST:


Secretary

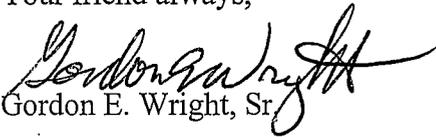
July 12, 2010

Mr. Jerry Cunningham, Mayor

Dear sir:

Please accept my resignation as a Board of Zoning Appeals member effective September 1, 2010. I appreciate the honor of you having confidence in me to serve in that position.

Your friend always,


Gordon E. Wright, Sr.

July 29, 2010

TO: Blount County Mayor

SUBJECT: Position on Board

FROM: Bruce D. Damrow

Mayor Cunningham,

I ask to be favorably considered for a position on the Blount County Board for Zoning Appeals. My military experience has positioned me to be able to critically analyze issues and ensure regulatory measures are enforced. I believe in a team effort to solve situations and possess an open mind in dealing with issues.

I believe that Blount county and the surrounding communities are special places in east Tennessee and if I am selected to serve, I will work diligently to maintain them in that status.

Respectfully,

//SIGNED//

Bruce D. Damrow
2044 Stonybrook Road,
Louisville, TN 37777

Attachment 1: Resume

Bruce D. Damrow
2044 Stonybrook Road
Louisville, Tennessee 37777
(h)-865-977-8057

Email: damrowbd@msn.com

OBJECTIVE

A position on the Blount County Zoning Appeals Board where my executive leadership and organizational management experience will be utilized

EDUCATION

M Ed., Education Supervision and Administration, Lincoln Memorial University

EXPERIENCE

Chief Operating Officer, B&D Custom Associates LLC 2007-Present

- Leadership and Management consultant and trainer to national and international business and industries
- Custom leadership and management curriculum designer

Air National Guard Advisor to Commander College for Enlisted Professional Military Education, USAF 2001 - 2007

- Provided Department of Defense, Air Education and Training Command and Air University Policy and Curriculum guidance to over 77K students annually
- Lead team activities and oversight in the design of two Distance Learning programs
- Directed personnel support and career broadening training to a staff of 305 fulltime military and civil service faculty members
- Served on key Chief of Staff of the Air Force directed Integrated Process Action teams effecting all members of the United States Air Force and foreign military agencies
- Ensured all Enlisted Professional Military Education programs meet criteria for accreditation by the Community College of the Air Force and the Southern Association of Colleges and Schools
- Instructed, lectured and facilitated four levels of Air Force Leadership and Management development schools
- Designed and authored Distributive Learning course used annually by 12,000 students
- Interim Commandant, (institution dean) USAF Noncommissioned Officer Academy
- Team member Chief of Staff directed, USAF review of Royal Saudi Air Force
- Team leader, USAF directed Bosnia-Herzegovina military training cadre

Superintendent, Education National Guard Bureau 2000 - 2001

- Chief Academic Officer, managed 42 courses and 3,500 quotas to include all officer and enlisted Professional Military Education and 600 primary officer ascension positions for the Air National Guard
- Flawlessly managed a \$65K voluntary education budget and ensured program conducted in consonance with Department of Defense and Air Force directives
- Served as investigation officer for Congressional complaints filed at Head Quarters Air National Guard

(Bruce Damrow, page 2)

- Provided programs guidance and career enhancements to all Air Guard members assigned to Air University
- Designed Master Task Listings for training programs and career enhancements
- Counseled team members on expectations and standards, wrote employee specifications and job descriptions

Air National Guard Liaison to Educational Programs Cadre College for Enlisted Professional Military Education 1996 – 2000

- Chief Education Officer, trained and supervised 150 instructors in 18 Airman Leadership School Programs nationwide (entry and mid level management school) to a student population of over 12K
- Insured student eligibility and facility training programs met institutional requirements
- Conducted in-depth analysis of customer requirements to ensure optimum use of resources
- Initiated and authored directives used by 89 Air National Guard Units
- Developed Distance Learning Course for management training used by 8K students annually

FORMAL TRAINING

United States Air Force Leadership and Management Courses (4 levels)

Entry level manager, Mid-level supervisor, Executive and Senior Executive levels

United States Air Force Academic Instructor School, Maxwell AFB, AL

United States Air Force Technical Instructor School, Keesler AFB, MS

United States Air Force Instructional Systems Development Course, Keesler AFB, MS

United States Air Force Test and Measurement Course, Keesler AFB, MS

United States Air Force Counseling and Psychology Course, Keesler AFB, MS

Statistical Process Course, McGhee Tyson ANGB, TN

Quality Awareness Course, McGhee Tyson ANGB, TN

W. Edwards Deming Institute Quality Course, Detroit, MI

Occupational Instructor Certification, Community College of the Air Force, Maxwell AFB, AL

Community College of the Air Force Instructor Faculty Certification, Maxwell AFB, AL

Aerospace Management Certification, Community College of the Air Force, Maxwell AFB, AL

ISO 9000 Internal Auditor Course Certification, British Standards Institution, Memphis, TN

United States Air Force Course Writers Course, Maxwell AFB, AL

Certifications

Air University faculty member, Maxwell AFB, AL

Certified and licensed in Education Administration and Supervision, state of TN

Community College of the Air Force faculty member, Maxwell AFB, AL

Security Clearance

Secret

REFERENCES

Available upon request

Jim Melton

521 Arthur Avenue
Maryville, TN 37804
(865) 977-0801 Home -
Email: jimel2@charter.net

EXPERIENCE & SKILLS

CONSUMER & COMMERCIAL FINANCIAL CREDIT MANAGER

15 Years

As *Collection representative*, I performed all activity necessary to collect past due accounts including telephone collections, field calls, legal filings & repossessions. As *Asst. Credit Manager* for a consumer credit company I processed, reviewed, approved, closed and collected when necessary, unsecured personal loans. As *Commercial Credit Manager*, I assessed & analyzed the financial and credit risk of business applicants for secured credit lines. I examined and evaluated references, credit reports, background information and financial statements to determine an applicants suitability for a credit lines up to \$5,000,000 for inventory and retail financing. Controlled daily duties of 2 processors and 4 account coordinators.

ACCOUNTS RECEIVABLE & BUSINESS MANAGEMENT

12 Years

As *Accounts Receivable Manager* for 3 Chattanooga area hospitals, I developed & implemented collection policies and procedures for patient services. My responsibilities expanded into regional oversight for 18 hospitals in three states. My responsibilities were third party billings and collections. I organized and developed patient registration and patient accounts policy & procedures for the region. As *Assistant Controller* for business services, my responsibilities were supervision of insurance claims processing and follow-up, collections, inpatient, outpatient and ER registration, mail processing, cash posting & bank reconciliation. My secondary responsibilities were to insure proper patient flow and escort functions for both 325 bed regional medical center. I managed 8 supervisors and 52 front line employees. As *Administrative Director* for a 34 bed acute care rural hospital, I had direct oversight of the business, purchasing and accounting functions and collaborative oversight, along with the medical director, director of nursing, for the overall operation of the facility SALES, MARKETING,

MERCHANDISING, AND DISTRIBUTOR

6 Years

As a *distributor* for a food products, I conducted all aspects of the business include business development, purchasing, merchandising, inventory control, warehousing & delivery. As *Sales Representative for an advertising agency*, My responsibilities were to prospect my territory, make sales calls and develop ad campaigns for my clients. I reviewed ad placements with the client and developed ad copy to expand my clients market share.

INSURANCE BILLING, BENEFIT RECOVERY & COLLECTING SERVICE

5 Years

As *Director/Senior Director*, co-founded, designed, and administered an innovative healthcare insurance claims recovery and billing service that generated over \$4,000,000 in profits for the company within 4 years of its inception. I trained and supervised 2 assistants and 20 billing and call center representatives. I assisted in marketing and customers service activities throughout western, southern and eastern United States and was the lead person on several hospital and medical practice collection projects.

EMPLOYMENT CHRONOLOGY:

Retired	2009 - Present
Clayton Corporation.- Vanderbilt Mortgage/21 st Mortgage <i>Financial Counselor/Refinance Rep/Senior Credit Analyst</i>	1999 - 2009
Cardiology Associates of East Tennessee <i>Accounts Receivable Manager</i>	1997 – 1999
Hayt, Hayt & Landau Collections <i>Patient Accounts Supervisor</i>	1995 - 1996
JIMEL Distributing Company <i>Owner/Operator/marketing/route sales</i>	1990 – 1995
Advanced Management Systems, Inc <i>Director/Senior Director of Accounts Receivable & Claims</i>	1985 – 1990

Military Service:

U.S. Army Security Agency - Special Intelligence Division

Education:

Hiwassee College – General Business Studies
American Military College – NCO Leadership Academy

Jerry L. Roddy
327 Fence Rail Gap Road
Walland TN. 37886
865-984-9647 e-mail - rockytop2@hughes.net

Education:

- B.S. Industrial Engineering, University Of Tennessee, 1968
- Maryville High School , 1962

Work Experience:

Alcoa, Inc:

Global Primary Metals - Knoxville Office

- August, 2007 - Retired
- 1998 - 2007 - Director, Technology, Global Primary Metals System
 - Responsible for leading and directing the process technical support, research and development, and process control systems for the twenty - eight (28) plant global system.
 - Responsible for managing a \$55 million annual budget and 125 engineers and scientists.
 - 2003 recipient of the Irving W. Wilson Award for “outstanding leadership in the management of science and technology throughout Alcoa”.
- 1994-1998 - Manager, Process Technology
 - Responsible for providing technical support for the Potroom and Electrode areas.
 - Responsible for leading due diligence efforts of possible acquisitions.
 - Responsible for leading integration efforts of new acquisitions.
- 1990-1994- Chief Process Engineer - Potroom
 - Responsible for giving technical support to plants in the Potroom area.
 - Responsible for coordinating process technical training for new process engineers.

Rockdale Texas Operations

- 1981-1990 - Potroom Superintendent
 - Responsible for managing Alcoa's largest Potrooms at the time.

Pittsburgh Office

- 1979-1981- Corporate Safety Engineer
 - Helped develop corporate safety training program.

Rockdale Texas Operations

- 1977-1979 - Electrode Superintendent
 - Responsible for producing anodes for the potrooms.
- 1975-1977 - Chief Industrial Engineer
 - Responsible for managing the Industrial Engineering Department.

Alcoa Tennessee Operations

- 1972-1975 - Potroom Services Supervisor
 - Responsible for managing the Services Department.
- 1970-1972- Senior Production Engineer
- 1968-1970 - Industrial Engineer
- 1967 - Summer Engineering Intern

Hobbies and Interests

- Avid U.T. sports fan
- Avid hiker
- Volunteer at the Great Smoky Mountain Heritage Center
- 2010 class member of Experience Your Smokies
- Avid reader
- President of Fence Rail Gap Home Owners' Association

ANDY ALLEN

PROFILE

Life long residence of Blount County community for more than 30 years. Married to Jan Allen and daughter Kimberly Allen. Active member in church and civic duties. Professional career includes over fourteen years in the Electrical field, with extensive experience in all aspects of Project Management.

RECENT PROJECTS

- Alcoa City Service Center
- Coulter Grove Intermediate School
- Tennessee Air National Guard Squad Operations Facility
- Union Grove Elementary School
- Union Grove Middle School
- Blount County Animal Shelter
- Gay Street – Streetscapes
- Pellissippi Place
- Athens Farmers CO-OP
- University of Tennessee Bio-Energy Building
- University of Tennessee Student Health Clinic
- National Energy Security Center

PROFESSIONAL EXPERIENCE

Massey Construction Inc.

March 2001 – Present

Project Manager

Allen Acoustical & Electric, Inc.

December 1996 - February 2001

Vice-President, Electrician

University of TN/Concert Security

June 1997 - February 1998

Crowd Control

Airport Auto Auction, Inc.

March 1997 - November 1997

Driver

Blount Farmers Co-Op

September 1995 - June 1996

Farm Supply Loader

EDUCATION/CERTIFICATIONS

Walter State Community College; Morristown, TN	Technical Certificate in Basic Emergency Medical Technician Graduated December 1996
Maryville High School; Maryville, TN	Graduated May 1996
Electrical Contractors License in General Construction	State of Tennessee
General Contractors License	State of Tennessee
Private Pilot Licenses	Federal Aviation Administration 2009

AFFILIATED ORGANIZATIONS

Member of:

Master Mason-Rockford Chapter

The Associated General Contractors of Tennessee (AGC)

Scottish Rite-East Tennessee

BOARD OF ZONING APPEALS
(TERMS - 5 YEARS)
Blount County Article 11.1 and T.C.A.13-7-106

<u>Name/Address</u>	<u>Phone</u>	<u>Term Expires</u>
Larry Campbell 4124 Old Niles Ferry Road Maryville, TN 37804	983-1024 (<u>DOES NOT WISH TO BE REAPPOINTED</u>)	9/15/10
Rob Walker - Chairman 237 Meadow Road Friendsville, TN 37737	995-2564	8/20/14
Stanley Headrick 3806 E. Lamar Alexander Pkwy. Maryville, TN 37804	681-1846	8/31/13
Gordon Wright 6268 E. Lamar Alexander Parkway Walland, TN 37886	983-7413 (<u>VACANCY</u> <u>(RESIGNED 9/1/2010)</u>)	8/16/12
Harold Brown 1014 N. Heritage Drive Maryville, TN 37803	982-5988	8/31/11
Associates (Appointed 02/21/08) Joe Everett Jim Melton		

*****NOTE*****

RESUMES MAY BE SUBMITTED TO THE BLOUNT COUNTY COMMISSION OFFICE BY 4:00 P.M. AUGUST 4, 2010, TO BE INCLUDED IN THE PACKET FOR THE AGENDA COMMITTEE MEETING SCHEDULED FOR AUGUST 10, 2010. PLEASE CALL THE BLOUNT COUNTY COMMISSION OFFICE AT 865-273-5830.

13-7-106. Creation of county board of zoning appeals — Appointment of members — Terms — Vacancies — Training and continuing education. —

(a) The legislative body of any county which enacts zoning regulations under the authority of this part shall create a county board of zoning appeals of three (3) or five (5) members. In any county which has adopted a charter form of government as provided in the Constitution of Tennessee, art. [VII](#), § [1](#), and by § [5-1-201](#), and which has a population of less than six hundred thousand (600,000) according to the 1980 federal census or any subsequent federal census, the legislative body of any such county which enacts zoning regulations under the authority of this part shall create a county board of zoning appeals of five (5), seven (7) or nine (9) members. The county legislative body shall be the appointing power of the members of such board of appeals and may fix their compensation and their terms, which terms shall be of such length and so arranged that the term of one (1) member will expire each year. In any county which has adopted a charter form of government as provided in the Constitution of Tennessee, art. [VII](#), § [1](#), and by § [5-1-201](#), and which has a population of less than six hundred thousand (600,000) according to the 1980 federal census or any subsequent federal census, the county legislative body shall arrange their terms in any fashion so long as no member's term exceeds five (5) years in length. The county legislative body may remove any member for cause upon written charges and after a public hearing. Vacancies shall be filled for unexpired terms in the same manner as in the case of original appointments. The county legislative body may appoint associate members of the board, and, in the event that any regular member be temporarily unable to act owing to absence from the county, illness, interest in a case before the board, or other cause, such associate member's place may be taken during such temporary disability by an associate member designated for the purpose by the county legislative body. The county legislative bodies of two (2) or more counties may, by ordinances enacted by both or all of them, arrange and provide for a joint or common board of zoning appeals.

(b) (1) Each board of zoning appeals member shall, within one (1) year of initial appointment and each calendar year thereafter, attend a minimum of four (4) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (b)(5).

(2) Each full-time or contract building commissioner or professional planner or other administrative official whose duties include advising the board of zoning appeals shall, each calendar year, attend a minimum of eight (8) hours of training and continuing education in one (1) or more of the subjects listed in subdivision (b)(5). A professional planner who is a member of the American Institute of Certified Planners shall be exempt from this requirement.

(3) Each of the individuals listed in subdivisions (b)(1) and (2) shall certify by December 31 of each calendar year such individual's attendance by a written statement filed with the secretary of such individual's respective board of zoning appeals. Each statement shall identify the date of each program attended, its subject matter, location, sponsors, and the time spent in each program.

(4) The legislative body of the county shall be responsible for paying the training and continuing education course registration and travel expenses for each board of zoning appeals member and full-time building commissioner or other administrative official whose duties include advising the board of zoning appeals.

(5) The subjects for the training and continuing education required by subdivisions (b)(1) and (2) shall include, but not be limited to, the following: land use planning; zoning; flood plain management; transportation; community facilities; ethics; public utilities; wireless telecommunications facilities;

parliamentary procedure; public hearing procedure; land use law; natural resources and agricultural land conservation; economic development; housing; public buildings; land subdivision; and powers and duties of the board of zoning appeals. Other topics reasonably related to the duties of the board of zoning appeals and the building commissioner or other administrative official whose duties include advising the board of zoning appeals may be approved by majority vote of the board of zoning appeals prior to December 31 of the year for which credit is sought.

(6) Each local board of zoning appeals shall keep in its official public record originals of all statements and the written documentation of attendance required to comply with these provisions for three (3) years after the calendar year in which each statement and appurtenant written documentation is filed.

(7) Each board of zoning appeals member and each building commissioner or other administrative official whose duties include advising the board of zoning appeals shall be responsible for obtaining written documentation signed by a representative of the sponsor of any training and continuing education course for which credit is claimed, acknowledging the fact that the individual attended the program for which credit is claimed.

(8) If a board of zoning appeals member fails to complete the requisite number of hours of training and continuing education within the time allotted by this subsection (b) or fails to file the statement required by this subsection (b), then this shall constitute a cause for the removal of the board of zoning appeals member from the board of zoning appeals.

(9) The legislative body of the county may, at any time, opt out of the provisions of this subsection (b) by passage of a resolution. Further any such legislative body that has opted out may, at a later date, opt in by passage of a resolution.

[Acts 1935, ch. 33, § 6; C. Supp. 1950, § 10268.6; impl. am. Acts 1978, ch. 934, §§ 7, 36; T.C.A. (orig. ed.), § 13-406; Acts 1991, ch. 521, § 1; 1993, ch. 184, § 1; 2002, ch. 862, § 5; 2009, ch. 47, § 10.]

single family residential use that bounds a residential use or platted residential lot. In acting as an administrative review panel, the Planning Commission shall have all building permit powers of the Building Commissioner, such that an approval of a site plan shall constitute also an approval of a building permit for such site plan. The site plan shall be submitted to the Building Commissioner for forwarding to the Planning Commission at least fifteen calendar days prior to consideration at a regular or special called meeting of the Planning Commission. The Building Commissioner shall review any site plan before the Planning Commission and shall make recommendation for approval or denial with analysis and reasons for such recommendation. The decisions of the Planning Commission shall be by majority vote of the quorum present. The decisions of the Planning Commission shall be entered in the minutes of the Commission, and any denial of a site plan shall state the reasons for denial.

Article 11. BOARD OF ZONING APPEALS.

Section 11.1. Creation and Membership. In accordance with Tennessee Code Annotated 13-7-106, the Blount County Board of Zoning Appeals, referred to elsewhere in this Resolution as Board of Zoning Appeals or Board, is hereby created with five regular members. The County Legislative Body shall appoint regular members of the Board. The terms of each regular member shall be five years, provided that the first appointments upon adoption of this Resolution shall be for staggered terms of one, two, three, four, and five years such that the term of one regular member shall expire each year thereafter. Regular members may be appointed for successive terms. Vacancies for regular members shall be filled for unexpired terms in the same manner as in the case of original appointments. The County Legislative Body may appoint and designate associate members of the Board. Such associate members are authorized to sit and act in the stead for any regular member who is temporarily unable to act owing to absence from the county, illness, interest in a case before the Board, or other cause. The term of such associate members shall be for the specific time period that a regular member is temporarily unable to act. The County Legislative Body may remove any member of the Board for cause upon written charges and after a public hearing, causes to include but not limited to absence from any three consecutive meetings of the Board, or absence from more than five meetings of the Board within any twelve calendar months.

Section 11.2. Rules and Procedures. The Board of Zoning Appeals shall elect a Chairman and a Secretary from among the regular members, such Chairman and Secretary to serve for one year terms, and may be elected to successive terms. The Chairman is authorized to call a meeting of the Board for action as needed. All meetings of the Board shall be open to the public. In the absence of the Chairman, a quorum of the Board may elect a temporary Chairman to conduct business. A quorum of the Board shall consist of no less than three regular or associate members. Minutes of meetings shall be kept, reporting the members in attendance, reporting records and evidence and testimony used in determining a decision, and reporting the vote of each member for each action. The Secretary shall certify minutes and actions of the Board. The Building Commissioner shall maintain minutes and records for the Board. The Board may adopt By-Laws being such other supplemental rules of procedure necessary for proper functioning of the Board, not inconsistent with other provisions in this Resolution and not inconsistent with state statutes.

Section 11.3. Powers of the Board of Zoning Appeals. In accordance with Tennessee Code Annotated 13-7-107 and 109, the Board has the following powers:

4661 W. McCammon Ct.
Maryville, TN 37804

July 15, 2010

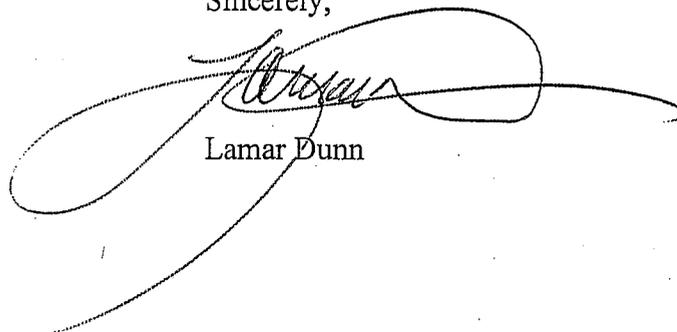
Mr. Jerry Cunningham, Esq.
County Mayor
Blount County Courthouse
321 Court Street
Maryville, TN 37804

Dear Mayor Cunningham:

It has been an honor to be appointed to the Blount County Planning Commission. However, due to time demands of my business, I cannot devote the time which is required to properly serve in that capacity. Therefore, I tender my resignation immediately in order that you have time to secure a replacement as soon as possible.

By copies of this letter to the Chairman and Director, they are being given notice of my resignation.

Sincerely,

A handwritten signature in black ink, appearing to read "Lamar Dunn", is written over a large, stylized flourish that extends across the page.

Lamar Dunn

LD:mrc

cc: Ed Stucky
John Lamb



JERRY G. CUNNINGHAM

Blount County Mayor

341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705



TO: Blount County Board of Commissioners

FROM: Jerry G. Cunningham, County Mayor 

RE: Recommendation for the Planning Commission

DATE: July 20, 2010

For the consideration of the full commission, I am submitting my recommendation of the following name for appointment on the Blount County Planning Commission due to the resignation of Lamar Dunn:

James Hoppa

Please see the attached letter and resume.



James A. Hoppa

Owner/Principal Broker -- Carter Chase Realty, LLC

ABR, CRS, GRI, HHS, SFR, CCIM Candidate

P.O. Box 613

Townsend, Tennessee 37882

Email: James@CarterChaseRealty.com

May 28, 2010

Jerry Cunningham, Blount County Mayor
E-mail: JerryCunningham@BlountTN.org

Dear Mr. Cunningham:

Thank you for the honor and consideration of nomination to the Blount County Planning Commission

Attached is a brief resume for your review.

For further information please do not hesitate to give me a call.

Best regards,

James Hoppa

Attachments: 2

CC: Amy Cowden/ACowden@BlountTN.org

James A. Hoppa

Owner/Principal Broker -- Carter Chase Realty, LLC

ABR, CRS, GRI, HHS, SFR, CCIM Candidate

P.O. Box 613

Townsend, Tennessee 37882

Email: James@CarterChaseRealty.com

PAST EXPERIENCE AND QUALIFICATIONS:

- (1980 - 2000) Hands-on owner and founder of Host Associates, a Maryland based general contracting and water well/hydrology related business with residential and commercial accounts in the Maryland/DC/Virginia area and employing up to 15 employee/ subcontractors.
- (2002 – 2008) Real Estate Broker, Coldwell Banker/Nelson Realtors, Maryville, TN — consistent, top-producing, award winning Realtor with multi-millions in residential and commercial sales.
- (2008 -Present) Real Estate Broker and Auctioneer, Powell Auction and Realty, Knoxville, TN -- Auctioneer active in all phases of the Auction Method of Sale and Real Estate Broker, active in Real Estate Sales.
- (January 2010 to Present) Owner, Principal Broker, Carter Chase Realty, LLC, Townsend, TN

PROFESSIONAL DESIGNATIONS:

- Principal Broker — Tennessee Association of Realtors
- Auctioneer -- Tennessee Auctioneers Association
- ABR -- Accredited Buyers Representative
- CRS -- Certified Residential Specialist
- GRI — Graduate Realtors Institute
- HHS — Historic Home Specialist
- SFR -- Short Sale and Foreclosure Resource
- CCIM Candidate — Certified Commercial Investment Member
- TAR (Tennessee Association of Realtor) Certified Real Estate Instructor

PROFESSIONAL AFFILIATIONS:

- NAR — National Association of Realtors
- TAR — Tennessee Association of Realtors
- KAAR — Knoxville Area Association of Realtors
- GSMAR — Great Smoky Mountains Multiple Listing Service
- NAA — National Auctioneers Association
- TAA -- Tennessee Auctioneers Association

PROFESSIONAL ACCOMPLISHMENTS AND EDUCATION:

- Owner/Principal Broker -- Carter Chase Realty, LLC
- Multi-million dollars sales of residential and commercial properties
- Coldwell Banker Presidents Elite
- Coldwell Banker Diamond Society
- Knoxville Association of Realtors Gold Award of Excellence
- Knoxville Association of Realtors Silver Award of Excellence
- Graduate of TRECS Real Estate School
- Graduate of KAAR Leadership Course
- Graduate of the Nashville Auction School
- Tennessee Association of Realtors Certified Real Estate Instructor

PERSONAL:

Born: August 11, 1950

Membership: 33 year member of the Masonic Lodge, 32° Past Master

Hobbies: Attending Personal Property and Real Estate Auctions, Collecting Antiques and Old Stuff (anything mechanical), Old Tyme Music, Classic Cars and Trucks, Spending Time in the Great Smoky Mountains, Enjoying Family and Friends.

Philosophy: An individual is no better than the people he associates with or the products he represents.

James A. Hoppa

*Owner/Principal Broker -- Carter Chase Realty, LLC
ABR, CRS, GRI, HHS, SFR, CCIM Candidate*

P.O. Box 613

Townsend, Tennessee 37882

(Cell) 865-257-0372

Email: James@CarterChaseRealty.com

REFERRALS:

Bob Sullivan/President

Bank East/Maryville
417 Foothills Mall Drive
Maryville, TN 37801

E-mail: BSullivan@BankEast.com

Steve Green/Attorney/Owner

Blount Title Agency
315 High Street
Maryville, TN 37801
Telephone: 865-983-7655

Wendell Hanson, CAI, AARE/Owner

Nashville Auction School
112 West Lauderdale Street
Tullahoma, Tennessee 37388
Telephone: 800-543-7061
E-mail: Wendell@Cafes.net

Gordon E. Wright, Sr.

268 East Lamar Alexander Parkway
Walland, Tennessee 37886

E-mail: Gordon661@aol.com

Additional References Available Upon Request

Blount County Planning Commission

Blount County Courthouse, 327 Court Street, Maryville, TN 37804-5906

Or contact Blount County Planning Department

Tel. (865) 273-5750 FAX (865) 273-5759

e-mail: planning@blounttn.org

The Blount County Planning Commission is responsible for planning the orderly development of the county. The Planning Commission has prime responsibility for formulating and administering subdivision regulations. The Blount County Subdivision Regulations set minimum standards for development of lots, roads, and utilities, in order to maintain a level of quality for present and future property owners. The Planning Commission has advisory responsibility in matters of zoning regulations and map, with some prime responsibilities in reviewing site plans under zoning regulations.

The Planning Commission is composed of twelve seats. Five of the seats are also members of the County Legislative Body (County Commission) appointed by the County Mayor with confirmation by the County Commission. The other seven seats are appointed by the County Mayor with confirmation by the County Commission. The Planning Commission holds regular meetings on the fourth Thursday of each month, generally starting at 5:30 P.M., in the County Courthouse. Holiday schedules for meetings may be modified. The Commission may call special meetings and public hearings with due notice to the public.

Planning Commission members are:

Ed Stucky – Chairman
Lamar Dunn
Brad Harrison
Scott Helton
Gerald Kirby
Bruce McClellan

Earnest Blankenship – Vice Chairman
Charles H. Cameron
Gary Farmer
Tom Hodge
Peggy Lambert
Clifford Walker

The Blount County Planning Department provides staff support to the Planning Commission. John Lamb, Director, is Secretary to the Planning Commission.

**BLOUNT COUNTY PLANNING COMMISSION
MEMBERS
(Revised 5-09)**

CONTACT COUNTY MAYOR

865-273-5700

Ernest Blankenship (Vice-Chairman)
1905 E Westwood Drive
Maryville, TN 37803
Phone: 681-8959 (H)
10-Sep

Tom Hodge
1356 Forest Hill Road
Maryville, TN 37803
Phone: 982-1405
12-Dec

Charles H. Cameron
1543 Boyle Street
Alcoa, TN 37701-2303
Phone: 982-0213 (H)
10-Feb

Gerald Kirby
956 Scarlett Oak Road
Maryville, TN 37801
Phone: (H) 984-3806
Co-Term

Lamar Dunn (resigned 7/15/10)
4661 W. McCammon Court
Maryville, TN 37804
Phone: 573-7672 (W)
12-Nov

Peggy Lambert
1320 Dunbarton Drive
Maryville, TN 37803
Phone: 977-4195 (H)
Co-Term

Gary Farmer
111 Firefly Lane
Maryville, TN 37803
Phone: 983-4778 (H)
Co-Term

Bruce McClellan
Trotter-McClellan, Inc.
3329 W. Gov. John Sevier Hwy.
Knoxville, TN 37920
Phone: 577-1244 (W)
11-Oct

Brad Harrison
1541 Aberdeen Drive
Alcoa, TN 37701
Phone: 984-2794 (H)
Co-Term

Ed Stucky (Chairman)
460 Boat Gunnel Rd.
Townsend, TN 37882
Phone: 448-1203 (H)
9-Oct

Scott Helton
816 Wells Road
Maryville, TN 37801
Phone: 681-0342 (H)
Co-Term

Clifford Walker
211 Roosevelt St.
Maryville, TN 37801
Phone: 983-1805 (H);
12-Nov



JERRY G. CUNNINGHAM

Blount County Mayor

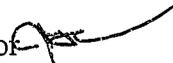
341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705



TO: Blount County Board of Commissioners

FROM: Jerry G. Cunningham, County Mayor 

RE: Recommendation for Tellico Reservoir Development Association Board of Directors

Date: June 30, 2010

For your consideration, I am submitting my recommendation of the following name for reappointment to the Board of the Tellico Reservoir Development Association for a six year term ending August 31, 2016.

Mr. David Black



JERRY G. CUNNINGHAM
Blount County Mayor

341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705



TO: Blount County Board of Commissioners

FROM: Jerry G. Cunningham, County Mayor 

RE: Board of Construction Appeals

DATE: July 20, 2010

For the consideration of the full commission, I am recommending the following persons to be reappointed to the Board of Construction Appeals:

Doug McClanahan, Board Member (Fire Protection), 3 year term, August 2013

Donald Adsit, Board Member (Structural Engineer), 3 year term, August 2013

CONTACT: BLOUNT COUNTY MAYOR – 865-273-5700

BOARD OF CONSTRUCTION APPEALS
3 year terms

Patrick O'Hara (Board Member)(appt. 9/20/07 & 11/20/08) (term expires 11/20/11)
Leon Williams (Alternate) (appt.9/20/07 & 11/20/08) (term expires (11/20/11)
Bob Reed (Board Member) (appt 9/20/07) (reappointed 8/20/09) (term expires 8/20/12)
J.W. Baker (Board Member) (appt. 9/20/07) (reappointed 8/20/09)(term expires 8/20/12)
Jeffery T. Fletcher (Alternate) appt. 9/20/07) (reappointed 8/20/09)(term expires 8/20/12)
Doug McClanahan (Board Member) 9/20/07) term expires 9/20/10
Donald Adsit (Board Member) 9/20/07 term expires 9/20/10



JERRY G. CUNNINGHAM

Blount County Mayor

341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705



TO: Board of Commissioners

FROM: Jerry G. Cunningham, County Mayor

RE: Recommendation for Tuckaleechee Utility Board

DATE: July 20, 2010

For your information, I have reappointed the following names to the Tuckaleechee Utility District of Commissioners:

John P. Davis, Jr., term expires 5/31/2012

Thomas S. Talley, term expires 6/30/2013

BILL INFORMATION FOR HB2653

Companion bill has been assigned Public Chapter Number 990 by the Secretary of State.

***HB 2653 BY *MAGGART (SB 2638 BY *BLACK)**

Show Co-Prime Sponsors

Traffic Safety - As enacted, allows counties to regulate parking on roadways solely under their jurisdiction by resolution; a violation would be a Class C misdemeanor, with each day a motor vehicle is in violation being deemed a separate event and the county may remove a motor vehicle that is abandoned or disabled; authorizes local authorities in Davidson County having authority to enact ordinances or make regulations relating to traffic to permit parking of vehicles with the left-hand wheels adjacent to and within 18 inches of the left-hand curb of a roadway. - Amends TCA Title 55, Chapter 8.

Bill Summary

Summary for *HB 2653/SB 2638

Fiscal Note

FiscalNote for HB2653 / SB2638 filed under HB2653

Votes

House Votes on HB2653

Senate Votes on SB2638

[Bill History](#) [Amendments on Bill](#) [Video Clips](#)

BILL SUMMARY

***HB 2653 BY *MAGGART, MCDONALD, LYNN. (SB 2638 BY *BLACK.)**

Traffic Safety - As enacted, allows counties to regulate parking on roadways solely under their jurisdiction by resolution; a violation would be a Class C misdemeanor, with each day a motor vehicle is in violation being deemed a separate event and the county may remove a motor vehicle that is abandoned or disabled; authorizes local authorities in Davidson County having authority to enact ordinances or make regulations relating to traffic to permit parking of vehicles with the left-hand wheels adjacent to and within 18 inches of the left-hand curb of a roadway. - Amends TCA Title 55, Chapter 8.

Fiscal Summary

Increase Local Expenditures - Exceeds \$16,300/One-Time/Permissive

Bill Summary

Present law requires the department of safety, with respect to highways under its jurisdiction outside of the limits of municipalities, to place signs prohibiting or restricting the stopping, standing or parking of vehicles on any highway where, as designated by the department, stopping, standing or parking is dangerous to those using the highway or where the stopping, standing or parking of vehicles would unduly interfere with the free movement of traffic on those highways. Present law authorizes municipalities to adopt by ordinance any of the Rules of the Road. Subject to the same signage requirements that apply to the department under present law, this bill authorizes counties by resolution to prohibit parking on any roadway under their jurisdiction

other than a federal aid or state highway when such parking is dangerous to those using the highway or interferes with the free movement of traffic.

ON MARCH 4, 2010, THE SENATE ADOPTED AMENDMENTS #1 AND #2 AND PASSED SENATE BILL 2638, AS AMENDED.

AMENDMENT #1 specifies that the primary responsibility for enforcing this bill would be on the county prohibiting parking on any roadway under its jurisdiction. This amendment further specifies that a violation of this bill would be a Class C misdemeanor, with each day a motor vehicle is in violation being deemed a separate event. This amendment authorizes a county to remove a motor vehicle that is abandoned or disabled.

AMENDMENT #2 clarifies that the resolution to regulate parking would be made by the county legislative body.

ON MAY 12, 2010, THE HOUSE SUBSTITUTED SENATE BILL 2638 FOR HOUSE BILL 2653, ADOPTED AMENDMENT #3, AND PASSED SENATE BILL 2638, AS AMENDED.

AMENDMENT #3 authorizes local authorities in Davidson County having authority to enact ordinances or make regulations relating to traffic to permit parking of vehicles with the left-hand wheels adjacent to and within 18 inches of the left-hand curb of a roadway. Present law authorizes all local authorities having authority to enact ordinances or make regulations relating to traffic to permit parking of vehicles with the left-hand wheels adjacent to and within 18 inches of the left-hand curb of a one-way roadway.

HOUSE BILL 2653

By Maggart

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 8, relative to parking regulations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-8-161, is amended by deleting subsection (d) in its entirety and substituting instead the following language:

(d) A county may by resolution prohibit parking on any roadway under its jurisdiction other than a federal aid or state highway when such parking is dangerous to those using the highway or interferes with the free movement of traffic. The county, with respect to highways under its jurisdiction, shall place signs prohibiting or restricting the stopping, standing or parking of vehicles on any highway where, as designated by the county, stopping, standing or parking is dangerous to those using the highway or where the stopping, standing or parking of vehicles would unduly interfere with the free movement of traffic on those highways. Such signs shall be official signs and no person shall stop, stand or park any vehicle in violation of the restrictions stated on such signs.

(e) Except as provided in subsection (d), the department, with respect to highways under its jurisdiction outside of the limits of municipalities, shall place signs prohibiting or restricting the stopping, standing or parking of vehicles on any highway where, as designated by the department, stopping, standing or parking is dangerous to those using the highway or where the stopping, standing or parking of vehicles would unduly interfere with the free movement of traffic on those highways. Such signs shall be official signs and no person shall stop, stand or park any vehicle in violation of the restrictions stated on such signs.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it.

**Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2010-2011**

Fund Number 141 Cost Center Number Various
Fund Name GPSF Cost Center Name Various

Transfer
to:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
141-071100-500163	Educational Assistants	38,000.00
141-071100-500201	Social Security	12,000.00
141-071100-500204	State Retirement	11,000.00
141-071100-500206	Employee Insurance - Life	5,000.00
141-071100-500212	FICA Medicare	500.00
141-071100-500336	Maintenance of Equipment	5,000.00
141-071100-500449	Textbooks	12,000.00
141-071200-500205	Employee Insurance - Dependent	7,000.00
141-071900-500211	Retiree Benefits	10,000.00
141-072210-500105	Supervisor	6,500.00
141-072410-500139	Assistant Principals	56,000.00
141-072410-500201	Social Security	3,500.00
141-072410-500204	State Retirement	6,000.00
141-072410-500205	Employee Insurance - Dependent	6,000.00
141-072410-500206	Employee Insurance - Life	500.00
141-072410-500207	Employee Insurance - Health	5,000.00
141-072410-500212	FICA Medicare	1,000.00
141-072710-500399	Other Contracted Services	6,000.00
141-073400-500105	Supervisor	6,000.00
Total Transferred to:		197,000.00

Transfer
from:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
141-071100-500116	Teachers	70,500.00
141-071100-500399	Other Contracted Services	8,000.00
141-071100-500429	Instructional Supplies	25,000.00
141-071200-500116	Teachers	25,000.00
141-071200-500201	Social Security	2,000.00
141-071200-500204	State Retirement	2,500.00
141-071200-500207	Employee Insurance - Health	5,000.00
141-071200-500212	FICA Medicare	500.00
141-071300-500429	Instructional Supplies	7,000.00
141-072110-500105	Supervisor	5,500.00
141-072120-500413	Drugs & Medical Supplies	7,000.00
141-072610-500166	Custodial Personnel	29,000.00
141-072610-500207	Employee Insurance - Health	2,000.00
141-072610-500410	Custodial Supplies	2,000.00
141-073400-500429	Instructional Supplies	3,800.00
141-073400-500524	In-service/Professional Development	2,200.00
Total Transferred from:		197,000.00

"Approved By The Board Of Education"

Reason for Transfer Request:

Transfer based on final BOE approved budget for Fund 141, FY 10-11.

Total Transferred from:

7-1-10

Tracy Rogers 7-1-10
Signature of Department Head Date

Note:

Total transferred to
must agree with total
transferred from.

Signature of County Executive Date

RESOLUTION NO. 10-08-013

Sponsored by: Commissioners John Keeble and Kenneth Melton

A RESOLUTION TO AMEND EXTENDED SCHOOL PROGRAM FUND BUDGET.

WHEREAS, Blount County would like to amend the Extended School Program Fund Budget to appropriate funds in order to establish budget for purchase of equipment related to Food Program grant established through the Friends Program.

WHEREAS, it is deemed to be in the best interest of Blount County to amend the Extended School Program Fund Budget as requested.

NOW THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of Blount County, Tennessee assembled in regular session this 19th day of August, 2010 that the Extended School Program Fund Budget shall be amended as follows:

Revenue:

146-000000-465915 ESP Food Program.....\$12,000.00

APPROPRIATION:

146-073300-500790 Other Equipment.....\$12,000.00

Duly authorized and approved this 19th day of August, 2010.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

RESOLUTION NO. 10-08-017

Sponsored by: Commissioners Steve Samples and John Keeble

A RESOLUTION TO AMEND GENERAL COUNTY FUND BUDGET.

WHEREAS, Blount County would like to amend the General County Fund Budget to appropriate funds to complete the renovation phase to the County Operations Center to relocate five county departments – Codes, Stormwater, Environmental, Planning and Records, so the current Codes Building can be sold.

WHEREAS, it is deemed to be in the best interest of Blount County to amend the General County Fund Budget as requested.

NOW THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of Blount County, Tennessee assembled in regular session this 19th day of August, 2010 that the General County Fund Budget shall be amended as follows:

Revenue:

101-0-449904-0 Other Misc. Revenues.....\$42,000.00

APPROPRIATION:

101-051900-500599-0 Other Charges\$ 42,000.00

Duly authorized and approved this day of

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

Blount County, Tennessee
REQUEST FOR BUDGET INCREASE/DECREASE
Fiscal Year 2009-2010

Fund Number 101 Cost Center Number 051900
 Fund Name Gen Co Cost Center Name Other General Admin

Appropriation:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-051900-500599-0	Other Charges	42,000.00
Total Appropriation:		42,000.00

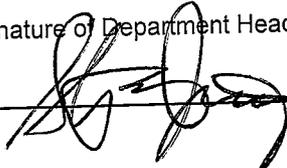
Estimated Revenue:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-0-449904-0	Other Miscellaneous Revenues	42,000.00
Total Estimated Revenue:		42,000.00

Reason for requested increase/decrease:

to complete the renovation phase to the County Operations Center as presented in the original business case to relocate five county
departments-codes, stormwater, environmental, planning and records so that the current Codes Building can be sold.

Note:
 Total appropriation
 must agree with total
 estimated revenue.

Signature of Department Head Date
 Aug 06, 2010

RESOLUTION NO. 10-08-18

Sponsored by: Commissioners John Keeble and Kenneth Melton

A RESOLUTION TO AMEND FEDERAL PROJECTS FUND BUDGET.

WHEREAS, Blount County would like to amend the Federal Projects Fund Budget to establish budget for Carpenter's Middle School HVAC replacement project funded with QSCB funds.

WHEREAS, it is deemed to be in the best interest of Blount County to amend the Federal Projects Fund Budget as requested.

NOW THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of Blount County, Tennessee assembled in regular session this 19th day of August, 2010 that the Federal Projects Fund Budget shall be amended as follows:

Revenue:

189-000000-495000-10111 Bond Proceeds\$1,300,000.00

APPROPRIATION:

189-091300-500399-10111 Other Contracted Services\$1,300,000.00

Duly authorized and approved this day of

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____

County Mayor

Date

RESOLUTION NO. xx-xx-xxx

RESOLUTION TO AUTHORIZE THE REPLACEMENT OF THE HEATING SYSTEM AT
CARPENTERS MIDDLE SCHOOL

"Approved By The Board Of Education"
8/6/10

Sponsored by: Commissioners Kenneth Melton and John Keeble

THAT WHEREAS, Carpenters Middle School is one of Blount County's most successful and innovative schools, outperforming all other Blount County schools and most of those in the state of Tennessee, being ranked 19th out of 532 middle schools under the Tennessee Value-Added Assessment System, and

WHEREAS, Carpenters Middle School, with approximately 650 students enrolled, was constructed in 2001 with a geothermal based heating and cooling system that has proven to be problematic, expensive to operate and maintain, and a major distraction to the educational process, and

WHEREAS, the Blount County Board of Education has approved a project to replace all geothermal classroom and rooftop HVAC units with one of two options: 1) classroom based electrical Bard Units, or 2) external ground mounted units, at an estimated cost of \$1,300,000, and

WHEREAS, the Tennessee State School Bond Authority has approved an application for the rehabilitation of CMS' HVAC system with a ARRA stimulus QSCB loan at a very low fixed interest rate, to be amortized over 17 years.

NOW, THEREFORE BE IT RESOLVED, by the Blount County Legislative Body, meeting in regular session on this the 19th day of August, 2010, that

Blount County Schools is authorized to spend up to \$1.3 million for the replacement of the geothermal based HVAC system at Carpenters Middle School before the commencement of classes in August 2011, with funding to drawn from the approved TSSB QSCB loan.

Adopted this 19th day of August, 2010

Certification of Action

Attest

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

_____ County Mayor

_____ Date

QUALIFIED SCHOOL CONSTRUCTION BOND APPLICATION

SECTION VIII: COMPETITIVE CRITERIA

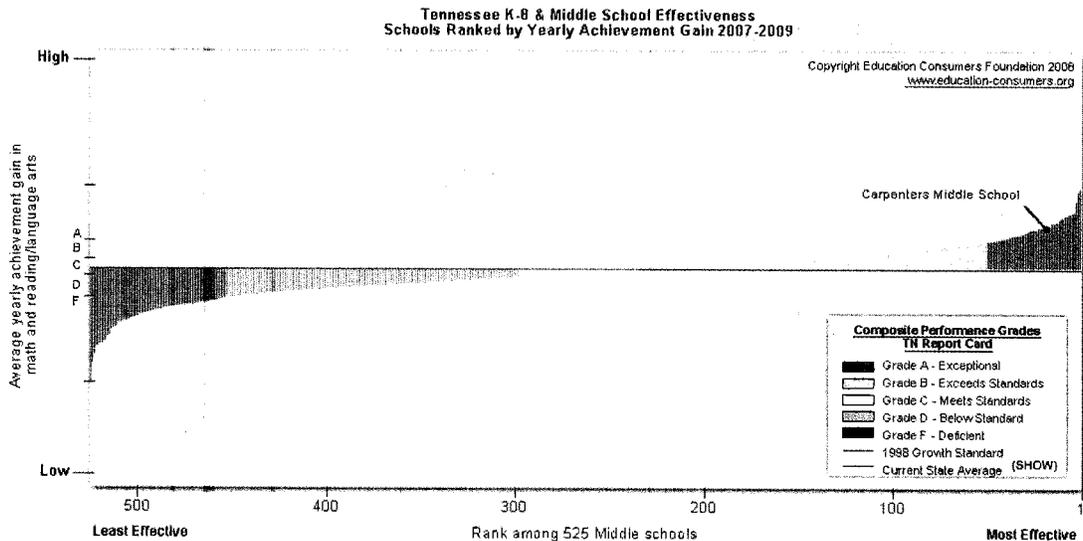
1. Program Innovations

"Approved By The Board Of Education"

8/6/10

Carpenters Middle School is arguably Blount County's most successful and innovative school. Staring with their school's mission and motto: "We don't expect to be perfect, we expect to be excellent. Excellence is determined by each individual's personal best. When you perform your best, your best keeps getting better and better, resulting in excellence. You can and you will be excellent if you choose to be. Now, go be excellent!"

Given that mission, it is no wonder that CMS outperforms all schools in Blount County and most in the state. The Tennessee Department of Education's Tennessee Value-Added Assessment System (TVAAS), which indicates how effective a school is at helping students learn. According to TVAAS data, CMS ranks 19th in the state out of 525 middle schools.



CMS excels in Math Reading/Language Arts, Science and Technology. The 2009 Tennessee State Report card list CMS as having an A in Math for Achievement and an A in Math for Value Added. All teachers at Carpenters Middle School are deemed Highly Qualified.

In one of the most recent evidences of the school wide pursuit of data-proven program innovation, CMS was awarded second place in the Four Seasons of Hope Contest and was rewarded \$50,000 worth of technology equipment for the school.

Representatives from CMS traveled to New York City on March 31, 2010 for the announcement.

Carpenters Middle School is also among the few public middle schools in Tennessee to receive a distinguished GreatSchools Rating of 8 out of 10.

2. Facility Improvements

a. Evidence of Need

Carpenters Middle School is a large middle school (6th grade – 8th grade) located in Maryville, Tennessee. The school has an approximate enrollment of 650 students. CMS was constructed in 2001 and featured Blount County School's first foray into a geothermal based heating and cooling system.

The geothermal system (375 tons / 357-200 ft. borings) has fifty-seven water source heat pump units. The system is divided into seven separate well-field sections. Classroom units are on 3-5 bores each. The geo-vaults for each well field section are small manholes with the manifolds stacked and almost inaccessible for repair. There are no unions or flanges to allow valve servicing. The isolation valves are a brass body ball valves secured into the pipeline by S.S. bands.

Even before the school opened to students the geothermal system installed at Carpenters Middle proved to be problematic. Weeks before students were to report, the principal expressed his concern that the individual classroom units were too loud when running for normal classroom instruction to take place

Since that initial year of operation, Carpenters Middle School's geothermal based HVAC system has proven to be a yearly expensive problem that shows no sign of improving. From a maintenance standpoint, the biggest fear is that the system will become irreparable in the earlier months of school, or in the middle of winter, and the system will have to make arrangements to house over 650 students in an alternate location.

The issues at Carpenters Middle School can be broken down into three basic problems:

- 1) **Sound Problems.** HVAC units on the classroom wings are located against the outside wall of the classroom. When the units are running, especially when the unit calls for heat or cooling and the compressor kicks on, the noise they make drowns out everything else in the classroom. They are simply too loud for normal classroom instruction. At times, teachers turn the units off so they can teach class. Over the years many "fixes"

have been attempted. Changing of the fan motor, adding more sound baffling insulation, adding more rubber gaskets between mechanical components to lessen the vibration. Nothing has worked to satisfaction. In fact many of the solutions have exacerbated other problems with the units and made the issues worse.

- 2) **Unit Failure Problems.** Blount County Schools consists of twenty schools spread throughout the county. Between the years 2002 and 2010, out of all the maintenance work order requests for HVAC issues, approximately 40% come from Carpenters Middle School. Units at Carpenters Middle School have been failing at an alarming rate for the past eight years. Because the units installed were from a small HVAC company, and custom made for CMS, parts for repair are increasingly hard to acquire and becoming very expensive. Many units sit idle for months before the right part becomes available or until compressors, logic boards, or coils can be either hand modified to correct problems. Each year, the HVAC units at CMS consumes a larger and larger part of the maintenance budget.
- 3) **Geothermal Well Leaking Problems.** Continuing leaks in the system's geothermal well system has become a very expensive issue for the Blount County School System. At one point during the 2008-2009 school year, CMS's monthly water bill was over \$6,000. Similar schools in the system, during the same month, water bills average around \$800 per month. Last year, over \$7000 was spent locating and digging up sections of the parking lot, and repairing several loop lines that were installed incorrectly, causing the leaking problem. The water bill still averages around \$1,800 per month indicating that leaks are still present in the system.

A project identified as repair/upgrade of the Carpenters Middle School HVAC System has been reported in the **TACIR Public Infrastructure Needs Inventory**. The project has been a part of Blount County's Capital Outlay Plan since 2006, but appropriate amounts of funding have not been available.

In March of 2008, the Blount County Board of Education requested AMERESCO, an energy services company, to give the Board an estimated cost of replacing all geothermal classroom and rooftop HVAC units with one of two options: 1) classroom based electrical Bard Units, or 2) external ground mounted units. In both cases, AMERESCO concluded in their quote, that the cost would be approximately \$1.6 million. The Blount County Board of Education and the Blount County Schools Maintenance Department believes that through the competitive bidding process, the project can be completed for \$1.3 million or less.

**Blount County, Tennessee
REQUEST FOR BUDGET INCREASE/DECREASE
Fiscal Year 2010-2011**

Fund Number 142 Cost Center Number 71200
 Fund Name Federal Projects Cost Center Name Special Education

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
189-091300-500399-10111	Other Contracted Services	1,300,000.00
Total Appropriation:		1,300,000.00

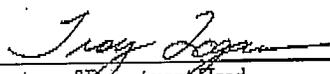
ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
189-000000-495000-10111	Bond Proceeds	1,300,000.00
Total Estimated Revenue:		1,300,000.00

Reason for requested increase/decrease:

Establish budget for CMS HVAC Replacement project funded with QSCB.

Note:

Total appropriation
must agree with total
estimated revenue.


 Signature of Department Head 8-4-10
Date

"Approved By The Board Of Education" 8-6-10

The Board of County Commissioners of Blount County, Tennessee, met in regular session on August 19, 2010, at 7:00 p.m., at Blount County Courthouse, Maryville, Tennessee, with _____ presiding.

The following Commissioners were present:

_____.

The following Commissioners were absent:

_____.

There were also present: _____

After the meeting was duly called to order, the following resolution was introduced by _____, seconded by _____ and after due deliberation, was adopted by the following vote:

AYE: _____.

NAY: _____.

A RESOLUTION AUTHORIZING A LOAN UNDER A LOAN AGREEMENT BETWEEN BLOUNT COUNTY, TENNESSEE, AND THE TENNESSEE STATE SCHOOL BOND AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTEEN MILLION SIXTEEN THOUSAND SEVEN HUNDRED FORTY DOLLARS (\$15,016,740) AND THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID BORROWING; AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID BORROWING AND THE PAYMENT OF THE COUNTY'S OBLIGATIONS UNDER THE LOAN AGREEMENT.

WHEREAS, pursuant to the Tennessee State School Bond Authority Act, Sections 49-3-1201, et seq., Tennessee Code Annotated, as amended (the "Act"), the Tennessee State School Bond Authority (the "Authority") is authorized to issue its bonds or notes ("Qualified School Construction Bonds") to make loans to any county, metropolitan government or incorporated city or town, in the State to provide funds to acquire land for and to construct, repair, rehabilitate, improve or equip schools for such local governments, if the same qualifies to be financed through the issuance of qualified school construction bonds as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") ("Qualified School Construction Bond Projects"); and

WHEREAS, the Authority has determined that it will issue its Qualified School Construction Bonds, Series 2010 (the "Bonds"), for the purpose of making loans to Blount County, Tennessee (the "County"), in addition to other cities and counties in the State, to fund Qualified School Construction Bond Projects; and

WHEREAS, the County has applied for a loan from the Authority and the County's application has been approved by the Authority for the purpose of receiving funds to construct, repair, rehabilitate, improve and equip public school facilities in the County, including Prospect Elementary School and Carpenters Middle School HVAC Renovation, all as more particularly

identified in the Loan Agreement (as hereinafter defined) (collectively, the “Projects”) which are each a Qualified School Construction Bond Project; and

WHEREAS, under the Act, the County is authorized to enter into a loan agreement with the Authority to finance the Projects; and

WHEREAS, it is hereby determined to be in the best interests of the County to finance the Projects through a loan from the Authority to the County (the “Loan Agreement”) whereby the County will pledge its full faith and credit and unlimited taxing power to the payment of its obligations thereunder, including payment of amounts sufficient to pay its allocable share of the principal of and interest, if any, on the Bonds, costs of issuance of the Bonds, and certain administrative expenses; and

WHEREAS, the Loan Agreement shall be additionally secured by a pledge by the County of taxes imposed and collected by the State pursuant to law and appropriated and allocated to the County as identified by resolution of the Tennessee Local Development Authority and as established by Section 4-31-102, Tennessee Code Annotated, as amended from time to time (“State-Shared Taxes”), which have not been pledged or applied to any other indebtedness (“Unobligated State-Shared Taxes”) in an amount equal to the maximum annual principal and interest payments to be made under the Loan Agreement (such interest rate not to exceed 6.50% per annum) plus an additional amount not to exceed .75% per annum; and

WHEREAS, the County has Unobligated State-Shared Taxes available to be pledged, and such Unobligated State-Shared Taxes in the preceding fiscal year are in an amount greater than 100% of the maximum annual principal payments to be made under the Loan Agreement plus

interest at a rate not to exceed 6.50% per annum plus any additional payments to be made under the Loan Agreement if calculated at the rate of not to exceed .75% per annum; and

WHEREAS, there has been presented to this meeting the form of the Loan Agreement which appears to be in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; and

WHEREAS, for the purposes of authorizing the loan from the Authority, the execution and delivery of the Loan Agreement by the County, the pledging of the County's full faith and credit and a portion of its Unobligated State-Shared Taxes for the payment of its obligations under the Loan Agreement, approving the assignment of such pledge to secure the Bonds, and authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Bonds and of the Loan Agreement, the Board of County Commissioners (the "Governing Body") of the County adopts this Resolution.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Blount County, Tennessee, as follows:

Section 1. Approval of Loan. For the purpose of providing funds to finance the costs of the Projects, including the payment of legal and fiscal costs incident to the issuance and sale of the Bonds and the Loan Agreement and making and receiving the loan herein authorized, there is hereby authorized a loan ("Loan") from the Authority in a principal amount not to exceed \$15,016,740. The County shall make payments of principal and interest in a manner consistent with Section 54A of the Code, until the final maturity date of the Bonds, which shall be established pursuant to the requirements of said Section 54A, all in accordance with the terms of this Resolution and the Loan Agreement but in any event repayment of the Loan shall occur by

the end of calendar year 2029. The Loan shall bear interest at a rate not to exceed 6.50% per annum.

Section 2. Approval of Loan Agreement. The form, terms and provisions of the Loan Agreement which have been presented at this meeting are hereby approved and the County Mayor is hereby authorized, empowered and directed to execute and deliver and the County Clerk to attest the Loan Agreement in the name and on behalf of the County. The Loan Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the County Mayor, the execution by such County Mayor to constitute conclusive evidence of approval of any and all changes or revisions therein. From and after the execution and delivery of the Loan Agreement, the County Mayor and the County Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed.

Section 3. Pledge of Taxes. (a) The County hereby covenants and agrees, through the Governing Body, to annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay when due the amounts payable by the County under the Loan Agreement as and when they become due and payable and, for such purposes, the County hereby pledges such tax and the full faith and credit of the County to such payments, provided, however, that the tax hereinabove described will not be required to be levied or, if levied, may be proportionately reduced to the extent of funds appropriated by the Governing Body of the County to the payment of the amounts described above from other revenues of the County. Such tax, to the extent levied, shall be assessed, levied, collected and paid in like manner as other taxes of the County. Such tax shall not be included within any

statutory or other limitation of rate or amount for the County but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law, whether public or private. Any amounts payable under the Loan Agreement falling due at any time when there are insufficient funds from the tax levy shall be paid from current funds of the County whether or not replenished out of the taxes hereby provided to be levied when the same shall have been collected.

(b) The County additionally pledges its Unobligated State-Shared Taxes in an amount equal to the maximum annual principal payments under the Loan Agreement plus interest thereon at a rate not to exceed 6.50% per annum plus such additional amount, not to exceed .75% per annum, as shall be sufficient to pay when due any additional payments due from County under the Loan Agreement as and when they become due and payable. The County hereby authorizes the Authority, without further recourse, to direct that Unobligated State-Shared Taxes pledged hereunder and due to the County be withheld and paid over to the Authority for credit to the County's payments due under the Loan Agreement at any time that such payments become delinquent and in an amount necessary to liquidate the amount of the delinquent payment.

Section 4. Consent to Assignment. The County hereby consents to the assignment pursuant to the Resolution of all the Authority's right, title and interest under the Loan Agreement as security for the Bonds.

Section 5. Additional Authorizations. All acts and doings of the County Mayor, the County Clerk and the Director of Schools of the County and any other officer of the County which are in conformity with the purposes and intent of this Resolution and in furtherance of the

issuance and sale of the Bonds and the execution and delivery of the Loan Agreement as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 6. Separability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are to be extent of such conflict hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

Adopted and approved this __ day of _____, 2010.

Sponsor _____

Recorder _____

Approved _____

ATTEST

County Clerk

**LOAN AGREEMENT
(\$15,016,740 SERIES 2010)**

DATED AS OF SEPTEMBER 1, 2010

BETWEEN

TENNESSEE STATE SCHOOL BOND AUTHORITY

AND

BLOUNT COUNTY, TENNESSEE

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LOAN AGREEMENT

This Loan Agreement is made and entered into as of the 1st day of September, 2010, by and between the TENNESSEE STATE SCHOOL BOND AUTHORITY (the "Authority"), and BLOUNT COUNTY, TENNESSEE (the "Borrower").

WITNESSETH:

WHEREAS, the Authority is a corporate governmental agency and an instrumentality of the State of Tennessee (the "State"), organized and existing pursuant to the Tennessee State School Bond Authority Act, Sections 49-3-1201 et seq., Tennessee Code Annotated, as amended (the "Act"), and is authorized to issue its bonds or notes to make loans to any county, metropolitan government, incorporated city or town in the State (each a "Local Government") for qualified school credit bond projects as defined in the Act, including buildings, structures, improvements, and equipment for schools and land to be acquired on which any projects are to be constructed with part of the proceeds of such bonds; and

WHEREAS, it has heretofore been determined by the governing body of the Borrower to be in the best interest of the Borrower to finance the acquisition of any land on which a public school facility is to be constructed with a portion of the loan proceeds if any land is to be acquired and to finance the construction, repair, rehabilitation, improvement and equipping of Prospect Elementary School and Carpenters Middle School HVAC Renovation (as more fully defined hereinafter, the "Project" or "Projects"); and

WHEREAS, under Tennessee law, the Borrower is authorized to enter into a loan agreement with the Authority to finance the Projects; and

WHEREAS, the Borrower has determined that it is necessary and desirable to borrow sufficient funds to accomplish the purposes set forth above; and

WHEREAS, the Authority has determined to lend money to the Borrower for the purposes set forth above on the terms and conditions set forth herein; and

WHEREAS, to obtain funds for such purposes the Authority will issue and sell its Qualified School Construction Bonds, Series 2010 (the "Series 2010 Bonds"), to be secured by and to contain such terms and provisions as are set forth in that certain resolution adopted by the Authority on November 5, 2009, as supplemented by the Second Supplemental Resolution adopted by the Authority on _____, 2010, including as a part thereof the 2010 Series Certificate authorized thereby, and as from time to time amended or supplemented (the "Resolution"), and deposit the proceeds from the sale of the Series 2010 Bonds with the Authority to be disbursed in the manner and for the purposes set forth in the Resolution, all as more fully provided therein.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the Authority and the Borrower agree as follows:

ARTICLE I

Definitions

Section 1.01. Defined Terms. In addition to the words, terms and phrases elsewhere defined in this Loan Agreement or in the Resolution, the following words, terms and phrases as used in this Loan Agreement shall have the following respective meanings:

“Act” means the Tennessee State School Bond Authority Act, Sections 49-3-1201 et seq., Tennessee Code Annotated, as amended from time to time.

“Additional Payment” means the amounts described in Section 3.04(b)(ii) through Section 3.04(b)(v) hereof.

“Administrative Expenses” means the Authority’s fees and expenses of carrying out and administering its powers, duties and functions in connection with the Loan Agreement, the Projects and the Resolution, and shall include without limiting the generality of the foregoing: administrative costs and expenses with respect to the Loan, construction monitoring, legal, accounting and consultant’s services and expenses, the fees and expenses of the State Treasurer, the Trustee, the Paying Agent and the Registrar, payments to the United States Treasury to satisfy any arbitrage rebate requirements under the Code and any other expenses required or permitted to be paid by the Authority under the provisions of the Act, the Loan Agreement and the Resolution or otherwise required to be made by the Borrower pursuant to Section 3.04 hereof.

“Administrative Expenses Account” means the Administrative Expenses Account of the Series 2010 Bond Fund Account of the Bond Fund.

“Authority” means the Tennessee State School Bond Authority, the corporate governmental agency and instrumentality created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Authority.

“Authorized Authority Representative” means any member of the Authority, any Assistant Secretary of the Authority and any other officer or employee of the Authority authorized by law, by resolution of the Authority or by a certificate of the Secretary of the Authority to perform the act or sign the document in question.

“Authorized Borrower Representative” means the County Mayor, the Budget or Finance Director of the Borrower or his designee as evidenced by a certificate of the Budget or Finance Director, and any such other Person from time to time authorized to act in behalf of a Borrower pursuant to the Charter, or ordinance or resolution of the governing body of such Borrower, a copy of which is filed with the Secretary of the Authority, to perform such act or execute such document on behalf of the Borrower pursuant to a certificate signed by any of the above and giving the name and specimen signature of the Person or Persons so designated.

“Available Project Proceeds” means (A) the excess of (i) the proceeds from the sale of the Series 2010 Bonds allocable to the Project, over (ii) the issuance costs of the Series 2010

Bonds allocable to the Loan financed by the issue (to the extent that such costs do not exceed 2% of such proceeds), and (B) the proceeds from any investment of the excess described in subparagraph (A).

“Bond Fund” means the fund established under Section 6.02 of the Resolution.

“Bonds” means the Authority’s Qualified School Construction Bonds issued pursuant to the Resolution, as supplemented by any Supplemental Resolution.

“Borrower” means Blount County, Tennessee.

“Borrower Account” means the account in the Loan Fund designated for the Borrower pursuant to Section 6.03 of the Resolution in which the proceeds of the Loan to the Borrower are deposited.

“Borrower Interest Sub-Account” means that portion of the Borrower Loan Repayment Sub-Account created for interest payments within the Series 2010 Bond Fund Account for the Borrower in accordance with Section 3.04(a) hereof.

“Borrower Loan Repayment Sub-Account” means that portion of the Borrower Loan Repayment Account created within the Series 2010 Bond Fund Account for the Borrower in accordance with the Resolution as described in Section 3.04(b) hereof.

“Borrower Request”, “Borrower Order” and “Borrower Consent” means, respectively, a written request, order or consent signed by an Authorized Borrower Representative and delivered to the Authority.

“Borrower Principal Sub-Account” means that portion of the Borrower Loan Repayment Sub-Account created for principal payments within the Series 2010 Bond Fund Account for the Borrower in accordance with Section 3.04(a) hereof.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions located in the State or in any of the cities in which the principal United States office of the Trustee, any Paying Agent or the Registrar is located are required or authorized by law or executive order to close, or (c) a day on which the New York Stock Exchange is closed.

“Closing Date” means the date of issuance and delivery of the Series 2010 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder. Reference herein to sections of the Code are to the sections thereof as they exist on the date of execution of this Loan Agreement, but include any successor provisions thereof to the extent applicable to the Series 2010 Bonds.

“Cost” or “Cost of the Projects” means the following to the extent for Qualified Purposes:

(a) The cost of improving, equipping, and repairing the Projects, or any combination of such purposes, demolishing structures on the Project sites, and acquiring the site

upon which any of the Projects is to be constructed and easements necessary or convenient for the Projects;

(b) The cost of labor, materials, machinery and equipment as payable to contractors, builders and materialmen in connection with the Projects;

(c) Governmental charges levied or assessed during equipping of the Projects or upon any property acquired therefor, and premiums on insurance in connection with the Projects during construction;

(d) Fees and expenses of architects and engineers for estimates, surveys and other preliminary investigations, environmental tests, soil borings, appraisals, preparation of plans, drawings and specifications and supervision of the Projects properly chargeable to the Projects, as well as for the performance of all other duties of architects and engineers in relation to the construction and installation of the Projects;

(e) Expenses of administration, supervision and inspection properly chargeable to the acquisition and construction of Projects, including the fees of the Borrower relating to the design, construction and equipping of the Projects and all other items of expense, not elsewhere specified herein, incident to the construction, installation and placing in operation of the Projects;

(f) Fees and expenses incurred in connection with the issuance, sale, execution and delivery of the Series 2010 Bonds and this Loan Agreement, including but not limited to, fees and expenses of the Authority and its counsel, Bond Counsel, the Trustee, Paying Agent and Registrar and its counsel, printing costs, rating fees and discount; and

(g) Any other cost of the Projects permitted to be financed pursuant to the Act and the Code.

“Event of Default” means any event defined in Section 5.01 hereof.

“General Bond Resolution” means the Qualified School Construction Bonds General Bond Resolution adopted by the Authority on November 5, 2009.

“Interest Payment Date” means, with respect to the Series 2010 Bonds, March 15 and September 15 of each year commencing on March 15, 2011.

“Interest Subsidy Payments” means cash payments received by the Authority from the United States Treasury with respect to the Series 2010 Bonds as a result of, among other things, an election by the Authority pursuant to Section 6431(f) of the Code to treat the Series 2010 Bonds as “qualified school construction bonds” within the meaning of Section 54F of the Code that are “qualified bonds” within the meaning of Sections 54AA(g) and 6431(e) of the Code including without duplication any funds appropriated by the State on account of any offset by the United States government reducing the amount of any Interest Subsidy Payment received by the Authority.

“Investment Income” means, with respect to the applicable period of determination, all amounts received by the Authority during such period in connection with the Authority’s investment of amounts in the applicable Fund or Account subject to such determination, established for the Borrower under the Resolution in connection with the Series 2010 Bonds, excluding the principal portion of any such investments.

“Investment Losses” means, with respect to the applicable period of determination, all losses of principal incurred during such period in connection with the Authority’s investment of amounts in the applicable Fund or Account subject to such determination, established for the Borrower under the Resolution in connection with the Series 2010 Bonds.

“Investment Obligations” means and includes any instruments, securities, certificates, obligations and the like if and to the extent the same are at the time permitted and legal for investment of the Authority’s funds pursuant to the Act or in accordance with any other law, regulation, guideline or policy, in effect from time to time, applicable to the Authority with respect to investments; provided, however, that an investment in the State’s Pooled Investment Fund and/or Local Government Investment Fund shall be deemed to be an investment in Investment Obligations.

“Loan” means the loan made by the Authority to the Borrower pursuant to this Loan Agreement as described in Section 2.02 hereof.

“Loan Agreement” means this Loan Agreement as it now exists and as it may thereafter be amended.

“Loan Fund” means the fund established under Section 6.03 of the Resolution.

“Loan Repayments” means the payments on account of principal of and interest on the Loan, Administrative Expenses and any and all other amounts payable by the Borrower hereunder, including amounts attributable to any Additional Payments, Investment Losses and Redemption Price or Borrower’s Proportionate Share of the foregoing, when applicable.

“Loan Repayment Dates” means: (i) with respect to that portion of Loan Repayments consisting of scheduled Administrative Expenses, the first day of each month, commencing on _____ 1, ____, and continuing on the first day of each month thereafter until all Administrative Expenses and the Loan are paid in full, or if such day is not a Business Day, then on the next succeeding Business Day; (ii) with respect to that portion of Loan Repayments attributable to any payment into the Borrower Interest Sub-Account relating to the interest on the Series 2010 Bonds, the first day of each month, commencing on _____ 1, ____, (other than September 1 of each year) until the Loan is paid in full, or if such day is not a Business Day, then on the next succeeding Business Day; (iii) with respect to that portion of the Loan Repayments attributable to any payment into the Borrower Principal Sub-Account relating to the principal of the Series 2010 Bonds, on each of the dates set forth on **Exhibit D** attached hereto, or if such day is not a Business Day, then on the next succeeding Business Day, and (iv) with respect to all other Loan Repayments, at any time on demand by the Authority.

“Local Government” means any county, metropolitan government, incorporated city or town in the State.

“Mandatory Prepayment Date” means the date selected by the Authority, with written notice thereof provided to the Borrower, as the date on which the Loan shall be mandatorily prepaid in whole or in part.

“Mandatory Prepayment Price” means the amount determined pursuant to the provisions of Section 6.02 hereof required to be paid by the Borrower in prepayment of its Loan pursuant to Section 2.05, Section 3.04 and Section 6.01 hereof.

“Maturity” means _____, _____, the maturity date of the Series 2010 Bonds.

“Optional Prepayment Price” means the amount determined pursuant to the provisions of Section 6.01 hereof required to be paid by the Borrower in prepayment of its Loan pursuant to Section 3.04 and Section 6.01 hereof.

“Outstanding”, when used with respect to the Series 2010 Bonds or any Series of Bonds issued pursuant to the Resolution, means as of any date, all Series 2010 Bonds or other Series of Bonds, respectively, theretofore authenticated and delivered under the Resolution, except:

- (a) any Bonds cancelled at or prior to such date;
- (b) any Bonds (or portions of Bonds) the principal of, interest on and Redemption Price, if any, of which shall have been paid in accordance with the terms hereof;
- (c) any Bonds in lieu or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Resolution; and
- (d) Bonds deemed to have been paid as provided in the Resolution.

“Outstanding Loan Principal Amount” means that amount necessary to repay the original principal amount of the Loan reduced only by the Redeemed Amount, if any, at the time of determination.

“Paying Agent” means any Paying Agent for the Series 2010 Bonds, its successors and any other Person which may at the time be substituted in its place, pursuant to the Resolution.

“Person” means any individual, corporation, partnership, limited partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability corporation or partnership, or government or any agency or subdivision thereof, or other legal entity or group of entities.

“Pledged Revenues” means with respect to the Series 2010 Bonds (i) all payments made or required to be made by the Borrower pursuant to this Loan Agreement; (ii) funds held under the Resolution with respect to the Series 2010 Bonds and the earnings thereon (subject to the application thereof to the purposes and on the conditions set forth in the Resolution); and (iii) Unobligated State-Shared Taxes at such time as such taxes have been withheld pursuant to law and the Loan Agreement and which have become property of the Authority.

“Prepayment Date” means the date on which the Borrower is required to deposit the Mandatory Prepayment Price or Optional Prepayment Price with the Paying Agent or Trustee pursuant to Section 6.01 or Section 6.02 hereof, which day may be any Business Day.

“Prior Lien Obligations” means the following: [none, or where appropriate for the applicable Borrower, insert: [5], between the _____ and the Borrower.]

“Project” or “Projects” means the construction, rehabilitation or repair of public school facilities, acquisition of land for construction of public school facilities, if any, and equipment for public school facilities as described in **Exhibit C** hereto. **Exhibit C** shall be amended automatically and without further action required by the Borrower to conform **Exhibit C** to any additional project that is approved pursuant to Section 2.05 hereof. Where more than one Project is being financed, Project applies to each Project individually or collectively, as the context requires.

“Proportionate Share” means, (x) with respect to interest on the Series 2010 Bonds, a fraction the numerator of which is the principal amount of the Loan made under this Loan Agreement and the denominator of which is the principal amount of the Series 2010 Bonds adjusted to account for any reduction in Outstanding Loan Principal Amount that is not proportionate to all loans derived from the proceeds of the Series 2010 Bonds (in such event the numerator shall be the then Outstanding Loan Principal Amount and the denominator shall be the then outstanding principal amount of Series 2010 Bonds at the time of the determination), (y) with respect to the allocation of Administrative Expenses and any Redemption Price on the Series 2010 Bonds, (1) if such payment is directly attributable to the actions of the Borrower (including the Borrower’s action or failure to act when otherwise required to act hereunder), one hundred percent (100%) of such expense or Redemption Price, and (2) if such payment is attributable to the general administration of the Series 2010 Bonds and the Authority’s Obligations in connection therewith, or if such payment is attributable to the general administration of all Series of Bonds and the Authority’s obligations in connection therewith, a fraction the numerator of which is the Outstanding Loan Principal Amount and the denominator or which is an amount equal to all Series of Bonds which are Outstanding, and (z) with respect to the allocation of Interest Subsidy Payment following an event which causes the Interest Subsidy Payment to be lost or reduced from the initial subsidy provided by the United States Treasury, with respect to any Borrower whose action or failure to act when otherwise required to act hereunder causes such loss or reduction, zero percent (0%) or such other percentage as shall be permitted by the Authority to allow such Borrower to receive such portion of the Interest Subsidy Payment as shall be determined by the Authority, in its discretion to be warranted without allowing the Borrower to profit in the share of other borrowers’ Interest Subsidy Payments.

“Qualified Purposes” shall include only costs properly allocable to (i) the construction, rehabilitation or repair of a public school facility, (ii) the acquisition of land on which such a facility is to be constructed with part of the proceeds of the Series 2010 Bonds, and (iii) the acquisition of equipment to be used in such portion or portions of the public school facility that is being constructed, rehabilitated or repaired with the proceeds of the Series 2010 Bonds.

“Redeemed Amount” means the principal portion of Series 2010 Bonds redeemed from the Mandatory Prepayment Price or Optional Prepayment Price.

“Redemption Date” means that date any portion of the Series 2010 Bonds are required to be redeemed.

“Redemption Price” means the amount required to be paid to the holders of the Series 2010 Bonds upon early redemption of the Series 2010 Bonds as described in the Resolution, as supplemented by the 2010 Series Certificate and as described in Section 6.01 or Section 6.02 hereof.

“Registrar” means the registrar for the Series 2010 Bonds and its successor or successors and any other Person which may at any time be substituted in its place pursuant to the Resolution.

“Resolution” means the General Bond Resolution, as supplemented by the Second Supplemental Resolution adopted by the Authority on _____, 2010, including as a part thereof the 2010 Series Certificate authorized thereby, as from time to time amended or supplemented in accordance with the terms and provisions thereof.

“Series” or “Series of Bonds” or “Bonds of a Series” means all Bonds authorized by Supplemental Resolution designated as being of the same series initially delivered as part of a simultaneous transaction evidencing a borrowing authorized by the Resolution to fund one or more Loans made under one or more related Loan Agreements under the Resolution, and any Bonds thereafter authenticated and delivered in lieu thereof or in exchange therefor.

“Series 2010 Bonds” means the Qualified School Construction Bonds, Series 2010, of Authority from time to time Outstanding under the Resolution.

“State” means the State of Tennessee.

“State-Shared Taxes” means taxes imposed and collected by the State pursuant to law and appropriated and allocated by law to a Local Government, whether appropriated or allocated for a particular purpose or for the general use of such Local Government, as identified by resolution of the Tennessee Local Development Authority and as established by Section 4-31-102, Tennessee Code Annotated, as amended from time to time.

“Tax Certificate” means the Tax Certificate executed and delivered by the Authority in connection with the issuance of the Series 2010 Bonds.

“Trustee” means the bank, trust company or national banking association appointed pursuant to Section 13.01 of the Resolution to act as trustee, paying agent and registrar under the Resolution, if any, and its successor or successors and any other bank, trust company or national banking association at any time substituted in its place pursuant to the Resolution.

“Unobligated State-Shared Taxes” means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness.

Section 1.02. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words “Bond”, “holder”, and “person” shall include the plural as well as the singular number unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate.

Any certificate or opinion made or given by an Authorized Authority Representative or an Authorized Borrower Representative may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to which is in the possession of the Authority or a Borrower), upon the certificate or opinion of or representations by an officer or officers or officials of the Authority or the Borrower, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

ARTICLE II

The Series 2010 Bonds and the Loan

Section 2.01. Issuance of the Series 2010 Bonds. In order to obtain funds to lend to the Borrower to assist in financing the Projects and pay costs of issuance in connection with the Series 2010 Bonds and the Loan Agreement as provided in Section 2.02 hereof, the Authority agrees to issue and deliver its Series 2010 Bonds. The Series 2010 Bonds shall bear interest as provided in the Resolution. The portion of the proceeds received from the sale of the Series 2010 Bonds in an amount equal to the costs of issuance of the Series 2010 Bonds allocable to the Loan shall be deposited by the Authority in the Administrative Expenses Account of the Series 2010 Bond Fund Account and the portion of the balance of the proceeds of the Series 2010 Bonds allocable to the Loan shall be deposited by the Authority in the Borrower Account of the Loan Fund pursuant to Section 6.03 of the General Bond Resolution.

Section 2.02. Loan. The Authority hereby agrees to lend and advance to the Borrower and the Borrower hereby agrees to borrow and accept from the Authority, the Loan in the principal amount of \$15,016,740. The Authority shall disburse the proceeds of the Loan to the Borrower from amounts on deposit in the Borrower Account of the Loan Fund derived from proceeds of the Series 2010 Bonds, upon receipt of a requisition as set forth in Section 2.04 hereof.

Section 2.03. Use of Proceeds by the Borrower. The Borrower will use the funds loaned to it by the Authority pursuant to Section 2.02 hereof solely to pay the Costs of the Projects.

Section 2.04. Disbursements of Loan Proceeds. Pursuant to Section 6.03 of the General Bond Resolution, the Authority shall use the moneys in the Borrower Account of the Loan Fund solely to pay the Costs of the Projects, including the reimbursement of the Borrower for

advances and payments made or costs incurred by the Borrower for or in connection with the Projects to the extent permitted by Section 2.08(k) hereof. The Authority shall disburse funds from the Borrower Account of the Loan Fund only upon receipt of a requisition, appropriately completed and signed by an Authorized Borrower Representative in the form attached hereto as **Exhibit A**.

Section 2.05. Completion of the Projects. When requesting final payment from the Borrower Account of the Loan Fund, the Borrower shall cause to be submitted the requisition required by Section 2.04 hereof and a certificate signed by an Authorized Borrower Representative in the form attached hereto as **Exhibit B**. Said certificate shall state that no further funds will be withdrawn from the Borrower Account of the Loan Fund to pay the Cost of the Projects. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. All moneys shall be expended from the Borrower Account of the Loan Fund within two and one-half (2½) years of the date of the issuance of the Series 2010 Bonds unless otherwise approved by the Authority. All moneys remaining in the Borrower Account of the Loan Fund, including investment earnings thereon, may be used for other Qualified Purposes of the Borrower or for other borrower(s) as may be approved in the opinion of such bond counsel (with appropriate adjustment being made to the amounts to be repaid by Borrower) upon receipt of an opinion of nationally recognized bond counsel that the additional projects or additional borrower(s), as the case may be, do not adversely affect the qualification of the Series 2010 Bonds as “qualified school construction bonds” within the meaning of Section 54F of the Code or shall be used to redeem Series 2010 Bonds on a Redemption Date as set forth in the Resolution. Any premium required to redeem Series 2010 Bonds shall be paid from Borrower’s funds other than any derived from the proceeds of the sale of the Series 2010 Bonds. The Authority does not make any warranty, either express or implied, that the moneys which will be paid into the Borrower Account of the Loan Fund and which, under the provisions of this Loan Agreement, will be available for payment of the Costs of the Projects, will be sufficient to pay all of the Costs of the Projects.

Section 2.06. Investment of Funds; Application of Investment Earnings. Any moneys held by the Authority in the Borrower Account of the Loan Fund shall be invested or reinvested by the Authority in Investment Obligations and shall be retained in the Loan Fund to be used for Costs of the Projects or for partial redemption of the Series 2010 Bonds as set forth in the Resolution and as contemplated by Sections 2.05 and 2.08(k) hereof.

Section 2.07. Interest Subsidy Payment Transfer. The Authority shall transfer to Borrower for deposit in Borrower’s Local Government Investment Pool Account maintained with the State the Borrower’s Proportionate Share of any Interest Subsidy Payment; provided, however, that if at the time the Authority receives an Interest Subsidy Payment any amount payable by the Borrower to the Authority under this Loan Agreement shall be due and owing, the Borrower agrees that the Authority may apply such share in whole or in part as may be necessary to satisfy such obligations. In the event any Interest Payment Subsidy is reduced by the United States government on account of any offset, the Authority will promptly take such action as may be required to obtain from the State of Tennessee from amounts appropriated for the purpose the amount of the offset and deposit the same in the Borrower’s Local Government Investment Pool

Account, subject to application if appropriate consistent with the proviso to the preceding sentence.

Section 2.08. Tax Status of the Series 2010 Bonds. It is the intention of the parties hereto that the Series 2010 Bonds be and remain “qualified school construction bonds” within the meaning of Section 54F of the Code that are “qualified bonds” within the meaning of Sections 54AA(g) and 6431(e) of the Code entitling the Authority pursuant to an election made pursuant to Section 6431(f) of the Code to receive Interest Subsidy Payments, and to that end the Borrower hereby represents, warrants and agrees as follows:

(a) It shall not take any action or fail to take any action, or permit such action to be taken on its behalf, or use or permit the use of any proceeds of the Series 2010 Bonds, or cause or permit any circumstances within its control to arise or continue, if the same would adversely affect either the status of the Series 2010 Bonds as “qualified school construction bonds” under Section 54F of the Code or as “qualified bonds” under Sections 54AA(g), 6431(e) and 6431(f) of the Code.

(b) The Borrower designates the Series 2010 Bonds as “qualified school construction bonds” within the meaning of Section 54F of the Code and “qualified bonds” within the meaning of Sections 54AA(g) and 6431(e) of the Code and authorizes the Authority to make an election pursuant to Section 6431(f) of the Code to receive Interest Subsidy Payments with respect to the Series 2010 Bonds.

(c) The Borrower will not take or omit to take any action, which action or omission will in any way cause the proceeds from the Loan to be applied in a manner other than as provided in this Loan Agreement or which would cause the Authority to lose eligibility to receive Interest Subsidy Payments.

(d) All Available Project Proceeds will be spent on Qualified Purposes and costs of issuance of the Series 2010 Bonds not to exceed 2% of such proceeds. The description of the Projects to be financed with the proceeds of the Series 2010 Bonds is included as **Exhibit C** attached hereto. The Borrower may finance additional Qualified Purposes from proceeds of the Series 2010 Bonds only with the express approval by the Authority upon receipt of opinion of nationally recognized bond counsel as provided in Section 2.05 hereof.

(e) Subject to Sections 2.05 and 6.02(a) and (c), 100% of the Available Project Proceeds shall be used for Qualified Purposes within the 3-year period beginning on the date of issuance of the Series 2010 Bonds. A binding commitment with a third party to spend at least 10% of the Available Project Proceeds will be incurred within the 6-month period beginning on the date of issuance of the Series 2010 Bonds, and Borrower will promptly provide written evidence thereof to the Authority;

(f) All applicable State and local law requirements governing conflicts of interest are satisfied with respect to the Series 2010 Bonds.

(g) If the United States Secretary of the Treasury prescribes additional conflicts of interest rules governing appropriate Members of Congress, Federal, State and local

officials and their spouses, such additional rules will be satisfied with respect to the Series 2010 Bonds.

(h) Without limiting the generality of subsection (g) above, the Borrower (i) has complied with and will comply with all requirements of the Davis-Bacon Act (40 U.S.C. § 3141 *et seq.*), (ii) has caused and will cause all contractors and subcontractors who are employed at the actual work sites to comply with all requirements of the Davis-Bacon Act, (iii) will monitor such compliance by contractors and subcontractors, and (iv) upon request of the Authority, will confirm compliance with this subsection (h), all in connection with the acquisition, construction, rehabilitation, repair and equipping of the Projects. The Borrower acknowledges that such compliance includes but is not limited to causing contractors and subcontractors employed at the Projects to pay workers who are employed on the actual work sites to pay no less than the prevailing wage locally, as established by the Wage and Hour Division of the US Department of Labor, plus fringe benefits normally paid on similar projects in conformity with the Davis-Bacon Act, the inclusion in contracts of required contractual language and the posting of job-site notices as required by the Davis-Bacon Act.

(i) The Borrower agrees not to change the ownership, use or nature of any property financed with the proceeds of the Loan or take any deliberate action that will adversely affect the qualification of the Series 2010 Bonds as a “qualified school construction bond” under Section 54F of the Code or “qualified bonds” under Sections 54AA(g), 6431(e) and 6431(f) of the Code as long as any portion of the Series 2010 Bond remains outstanding (whether or not defeased).

(j) The Borrower acknowledges and understands that (i) to the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the close of the 3 year period beginning on the date of issuance of the Series 2010 Bonds, or any longer period permitted by the Secretary of the Treasury pursuant to Section 54A(d)(2)(B)(iii) of the Code, the unspent Available Project Proceeds may be required to be used to redeem Series 2010 Bonds within 90 days after the end of such period, and (ii) the Authority may be required to call any or all of the Series 2010 Bonds for redemption prior to maturity in the event the Borrower (or other borrowers under similar loan agreements) defaults in its obligations hereunder (or such other borrowers default in their obligations under such other loan agreements), any or all of which may result in increased costs hereunder including costs incidental to redeeming Series 2010 Bonds in authorized denominations.

(k) No costs of the Projects to be paid from Available Project Proceeds have been expended to date, or if there have been costs paid, no such costs to be reimbursed from Available Project Proceeds will have been expended more than 60 days prior to the earlier of (i) the date the resolution approving this Loan Agreement was approved by the governing body of the Borrower, unless otherwise permitted under applicable law relating to use of bond proceeds for reimbursement applicable to qualified school construction bonds, or (ii) the date the governing body of the Borrower adopted a reimbursement resolution for purposes of Section 1.150-2 of the Regulations under the Code, but in no event earlier than April 27, 2009, the date Internal Revenue Service Notice 2009-35 allocating the Qualified School Construction Bond cap was published, in the case of projects to which unused 2009 cap is allocated, and March 17,

2010, the date Internal Revenue Service Notice 2010-17 allocating the Qualified School Construction Bond cap was published in the case of projects to which 2010 cap is allocated.

ARTICLE III

Payment Obligations of Borrower

Section 3.01. Loan Repayments. The Borrower agrees to pay to the Authority all Loan Repayments on each Loan Repayment Date, in the amounts and in the manner hereinafter provided, to be deposited by the Authority to the Series 2010 Bond Fund Account in the Bond Fund to be applied to the payment of principal on the Series 2010 Bonds, whether at Maturity or upon redemption, interest thereon, Administrative Expenses, Additional Payments and Investment Losses.

Section 3.02. Return of Excess Payments. Upon payment in full of all Loan Repayments due under the Loan Agreement, any funds remaining in the Borrower's Loan Repayment Sub-Account, including any sub-account thereof, shall be returned to the Borrower promptly following payment in full of the Series 2010 Bonds.

Section 3.03. Time and Manner of Payment. Except as provided in Section 3.05 hereof, the Borrower agrees to make each Loan Repayment directly to the Authority on or before each Loan Repayment Date in lawful money of the United States of America by electronic funds transfer of immediately available funds. The Authority shall send a statement to the Borrower setting forth the amount of the Borrower's Loan Repayment with respect to each Loan Repayment Date.

Section 3.04. Amount, Allocation and Deposit of Loan Repayments. The amount of each of the Loan Repayments to be made on each Loan Repayment Date shall be determined, allocated and deposited as set forth below:

(a) *Borrower Principal Sub-Account and Borrower Interest Sub-Account*. There shall be established the Borrower Principal Sub-Account and Borrower Interest Sub-Account within the Borrower Loan Repayment Sub-Account within the Loan Repayment Account created within the Series 2010 Bond Fund Account. The following amounts shall be deposited to and retained in the Borrower Principal Sub-Account and Borrower Interest Sub-Account for use as hereinafter provided:

(i) On the first day of each month (other than September 1 of each year), commencing on _____, 20__, until the Loan is paid in full, or if such day is not a Business Day, then on the next succeeding Business Day, the Borrower shall pay to the Authority the amount of interest set forth on **Exhibit D**, representing the portion of Borrower's Proportionate Share of the interest due to be paid on the Series 2010 Bonds' next Interest Payment Date, which amount shall be adjusted as hereinafter provided. Borrower acknowledges that it is responsible for the gross monthly payment of its Proportionate Share of the interest due on the Series 2010 Bonds without reduction for any Interest Subsidy Payment.

(ii) On each of the dates set forth on **Exhibit D**, or if such day is not a Business Day, then on the next succeeding Business Day, the Borrower shall pay to the

Authority the related “Principal” amount set forth on **Exhibit D**, as such amount may be adjusted at the time of determination to account for any prior redemption of the Series 2010 Bonds appropriately credited for the benefit of the Borrower and with such payments to be made in approximately equal monthly amounts (prior to any adjustment as hereafter provided and [acknowledging that the scheduled principal payments for the last ____ monthly payments are increased over the prior _____ scheduled principal payments]), which amount shall be adjusted as hereinafter provided.

(iii) In calculating the amounts to be paid pursuant to Section 3.04(a)(i) and (ii), such amounts shall be:

(A) decreased by an amount equal to the Borrower’s Investment Income in the Borrower Principal Sub-Account and Borrower Interest Sub-Account, to the extent not required to make payments to the United States Treasury to satisfy any arbitrage rebate requirements under the Code, to be applied as directed by an Authorized Authority Representative toward the particular Loan Repayment as the same shall become due;

(B) decreased by the Borrower’s Proportionate Share of the Redeemed Amount, if any, appropriately credited for the benefit of the Borrower, in inverse order of the Loan Repayment Date; and

(C) increased by an amount equal to the Borrower’s Investment Losses in the Borrower Principal Sub-Account and Borrower Interest Sub-Account.

(iv) the Optional Prepayment Price or the Mandatory Prepayment Price, if any, and earnings thereon; and

(v) the Borrower’s Investment Income reduced by the Borrower’s Investment Losses, if any, from amounts on deposit in the Borrower Principal Sub-Account and Borrower Interest Sub-Account.

(b) *Borrower Loan Repayments.* (i) The amounts deposited to the Borrower Principal Sub-Account and Borrower Interest Sub-Account as heretofore or hereafter provided shall be used by the Authority to pay principal of and interest on the Series 2010 Bonds as the same shall become due and in the manner provided by the Resolution, and no additional transfer to any other fund herein established shall be required with respect thereto. Use of Borrower Principal Sub-Account moneys to pay interest does not discharge the obligation to pay interest and any such payment of interest shall be deemed to be on account of principal and deposited into the Borrower Principal Sub-Account to the extent of the transfer at the demand of the Authority.

(ii) The Borrower shall also pay to the Authority upon demand by the Authority (but in all events prior to the Maturity of the Series 2010 Bonds) the Borrower’s Investment Losses resulting in insufficient funds to pay the Series 2010 Bonds when due, and any such payment by the Borrower shall be deposited by the Authority to the Borrower Principal

Sub-Account or the Borrower Interest Sub-Account, as the case may be, to be applied to the payment of the Series 2010 Bonds.

(iii) Upon demand by the Authority (but in all events prior to the Redemption Date), the Borrower shall also pay to the Authority an amount equal to (a) the Borrower's Proportionate Share of any Redemption Price required to be paid to the holders of the Series 2010 Bonds upon partial redemption of the Series 2010 Bonds from funds on deposit in the Borrower Account of the Loan Fund which will not be used to pay Costs of the Projects plus (b) such additional amount, if any, as shall be determined to be required by the Authority to effect the contemplated redemption of the Series 2010 Bonds in authorized denominations, and any such payment by the Borrower shall be deposited by the Authority to the Borrower Principal Sub-Account or the Borrower Interest Sub-Account to be applied to the payment of any such Redemption Price on the Series 2010 Bonds upon redemption.

(iv) Upon demand by the Authority, the Borrower shall pay to the Authority the Mandatory Prepayment Price which shall be used to redeem the Series 2010 Bonds, in whole or in part, in accordance with the Resolution and to pay any redemption premium thereon.

(v) The Borrower shall pay to the Authority the Optional Prepayment Price which shall be used to redeem the Series 2010 Bonds, in whole or in part, in accordance with the Resolution and to pay any redemption premium thereon.

(c) *Administrative Expense Account of the Series 2010 Bond Fund Account.* The Administrative Expenses portion of each of the Loan Repayments shall be paid by the Borrower in an amount equal to the Borrower's Proportionate Share of Administrative Expenses for any period commencing on the Closing Date, or the Business Day on which Administrative Expenses were last paid to and ending on the day next preceding the Loan Repayment Date and shall be deposited to the Administrative Expenses Account. Any Investment Income earned on amounts in the Administrative Expense Account shall be retained by the Authority without credit to the Borrower.

Section 3.05. Payments Assigned. It is understood and agreed that the rights of the Authority under this Loan Agreement (except its rights to indemnification, payment of expenses and receive notices), are assigned to the Trustee, if any, pursuant to the Resolution. The Borrower consents to such assignment. The Borrower agrees to pay to the Authority or at the direction of the Authority, the State Treasurer, or a separate custodian, all amounts payable by the Borrower that are so assigned unless the Borrower shall have been notified in writing that an Event of Default exists hereunder which is continuing, in which event all amounts payable hereunder shall be paid to the Trustee. All such assigned payments shall be deposited as provided in the Resolution.

Section 3.06. Payments; Obligation of Borrower Unconditional. The obligation of the Borrower to make payments hereunder and to perform and observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional until payment of all Borrower obligations hereunder, irrespective of any defense or any rights of setoff, recoupment or counterclaim which the Borrower might otherwise have against the Authority or the Trustee,

if any. Until payment of all Borrower obligations hereunder, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of their other covenants, conditions and agreements hereunder for any cause, including without limitation failure of consideration, failure of title to any part of all of the Projects, or commercial frustration of purpose, or any damages to or destruction or condemnation of all or any part of the Projects, or any change in the tax or other laws of the United States of America, the State of Tennessee or any political subdivision of either, or any failure of the Authority, or the Trustee, if any, to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with any document in connection with the financing of the Projects. Nothing contained in this Section, however, shall be construed to release the Authority or the Trustee, if any, from the performance of any of their respective obligations hereunder or under any documents related hereto.

Section 3.07. Pledge of Taxing Power. Pursuant to Section 49-3-1206(e)(1), Tennessee Code Annotated, the Borrower covenants that it shall provide for the annual levy and collection of a tax sufficient to pay when due the Loan Repayments payable under the Loan Agreement if and when they become due and payable. The Borrower hereby pledges its full faith and credit to such payments. The tax to be levied pursuant to this Section shall be assessed, levied, collected and paid in like manner as other taxes of the Borrower. Such tax shall not be included within any statutory or other limitation of rate or amount for the Borrower but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law. To the extent other moneys are not available therefor, there shall be set aside by the Borrower from the tax to be levied pursuant to this Section and the Act in a special fund an amount sufficient for the payment of the amounts under this Loan Agreement, and such fund shall be used exclusively for such purpose and shall not be used for any other purpose until the amounts payable hereunder have been paid in full. Notwithstanding the foregoing, the tax hereinabove described will not be required to be levied by the Borrower or, if levied, may be proportionately reduced to the extent of payments made from other funds of the Borrower appropriated by the governing body of the Borrower to the payment of the amounts described above from other revenues of the Borrower.

Section 3.08. Pledge of Unobligated State-Shared Taxes. Except for its Prior Lien Obligations, the Borrower has not previously pledged any portion of its State-Shared Taxes to other obligations. As security for the Loan Repayments, pursuant to Section 49-3-1206(e)(2), Tennessee Code Annotated, the Borrower hereby pledges its Unobligated State-Shared Taxes in an amount equal to the maximum annual principal portions of the Loan Repayments, plus the Borrower's Proportionate Share of the interest borne by the Series 2010 Bonds due under this Loan Agreement, plus such additional amount, not to exceed .75% per annum, as shall be sufficient to pay when due any additional payments due from Borrower under this Loan Agreement as and when they become due and payable.

The Borrower hereby authorizes the Authority without further recourse to direct that any Unobligated State-Shared Taxes due to the Borrower be withheld and paid over to the Authority for credit to the Borrower's Loan Repayments at any time a Loan Repayment becomes delinquent in an amount necessary to satisfy the amount of the delinquent payment.

So long as this Loan Agreement remains outstanding, the Borrower agrees that it will not create, assume or incur any pledge, encumbrance, lien or charge on a parity with or prior to the lien created under this Loan Agreement on the Borrower's Unobligated State-Shared Taxes.

ARTICLE IV

Representations and Covenants

Section 4.01. Representations and Covenants of the Authority. The Authority makes the following representations and covenants as the basis for the undertakings on the part of the Borrower contained herein:

(a) The Authority is a corporate governmental agency and instrumentality of the State of Tennessee, organized and existing pursuant to the Act. The Authority is authorized to issue the Series 2010 Bonds in accordance with the Act and to use the proceeds thereof to provide funds for making the Loan.

(b) The Authority has complied with the provisions of the Act and has full power and authority to execute and deliver this Loan Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The Authority is not in violation of any of the laws of the State of Tennessee which would affect its existence or its powers referred to in the preceding subsection (b).

(d) By Resolution duly adopted by the Authority and in full force and effect on the date hereof, the Authority has authorized the execution and delivery of this Loan Agreement and the Series 2010 Bonds, the due performance of all obligations of the Authority hereunder, under the Resolution and under the Series 2010 Bonds, and the taking of any and all actions as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by each of the foregoing, and the Authority will take all actions within its reasonable control to obtain all approvals necessary in connection with the foregoing that have not been obtained as of the date hereof.

(e) This Loan Agreement has been duly authorized, executed and delivered by the Authority, and upon due authorization, execution and delivery by the Borrower, will constitute a valid contractual obligation of the Authority. The Series 2010 Bonds will constitute valid and binding limited special obligations of the Authority and will be payable solely from the Pledged Revenues and any amounts otherwise available under the Resolution, and will be entitled to the benefit of the Resolution. None of the Authority (except to the foregoing extent), the State of Tennessee, or any political subdivision thereof shall be obligated, directly or (except as a Borrower from the Authority) indirectly, to pay the principal of, interest on, if any, or Redemption Price on the Series 2010 Bonds. The Authority has no taxing power.

(f) The execution and delivery by the Authority of this Loan Agreement, the Series 2010 Bonds, and the Resolution and the consummation of the transactions contemplated in each of the foregoing will not violate any resolution, mortgage, deed of trust, note, loan agreement or other contract or instrument to which the Authority is a party or by which it is

bound or, to the best of the Authority's knowledge, any judgment, decree, order, statute, rule or regulation applicable to the Authority, and the Authority will take all actions within its reasonable control to obtain all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby that have not been obtained as of the date hereof.

(g) The Authority will apply or cause to be applied the proceeds of the Series 2010 Bonds in accordance with the Resolution and this Loan Agreement.

(h) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Authority or, to the best knowledge of the Authority, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or by the Resolution or the Series 2010 Bonds or which, in any way, would adversely affect the validity of this Loan Agreement, the Series 2010 Bonds, the Resolution or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(i) The Authority covenants that it will not pledge the amounts derived from this Loan Agreement other than to secure the Series 2010 Bonds.

(j) The Authority will designate the Series 2010 Bonds as "qualified school construction bonds" pursuant to Section 54F of the Code and "qualified bonds" pursuant to Sections 54AA(g), 6431(e) and 6431(f) of the Code, and will take all actions that can reasonably be expected of the Authority to preserve the status of the Series 2010 Bonds as "qualified school construction bonds" and "qualified bonds" and preserve the Authority's eligibility to receive Interest Subsidy Payments.

Section 4.02. Representations and Covenants of the Borrower. The Borrower makes the following representations and covenants, in addition to those elsewhere set forth herein, as the basis for the undertakings on the part of the Authority contained herein:

(a) The Borrower is a municipal corporation or political subdivision, as appropriate, within the meaning of the Act, duly created and existing under the laws of the State of Tennessee and possessing general powers of taxation, including the power to levy ad valorem taxes, and has full legal right, power and authority (i) to conduct its business and own its properties, (ii) to enter into this Loan Agreement, and (iii) to carry out and consummate all other transactions contemplated by this Loan Agreement.

(b) With respect to the authorization, execution and delivery of this Loan Agreement, the Borrower has complied and will comply with all applicable laws of the State of Tennessee.

(c) The Borrower has duly approved the execution and delivery of this Loan Agreement and has authorized the taking of any and all action as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement and the Resolution.

(d) This Loan Agreement has been duly authorized, executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the Authority, will constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity and no other authorization is required.

(e) There is no action, suit, proceedings, inquiry on investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Borrower, threatened against the Borrower, nor is there any basis therefor, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the execution or delivery of this Loan Agreement or (iii) in any way contesting or affecting the validity or enforceability of this Loan Agreement or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by any of the foregoing.

(f) The Borrower is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its properties is bound, and no event has occurred which with the passage of time, the giving of notice or both would constitute such a breach or default; and the execution and delivery of this Loan Agreement and compliance with the respective provisions thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or of the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its property is bound.

(g) The Borrower will not take or omit to take any action which action or omission will in any way cause the proceeds of the Series 2010 Bonds advanced to it to be applied in a manner contrary to that provided in the Resolution and this Loan Agreement.

(h) The Borrower has not taken or omitted to take, and will not take or omit to take, any action, and knows of no action that any other person, firm or corporation has taken or intends to take, which adversely affect the eligibility of the Authority to receive Interest Subsidy Payments.

(i) The Borrower is not in default under any loan agreement, note, bond, mortgage or other instrument evidencing or securing indebtedness.

(j) The Borrower approves the issuance of the Series 2010 Bonds and, as of the date hereof, is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of this Loan Agreement and all warranties and representations of Borrower herein are true and correct on the date hereof.

(k) The Borrower covenants and agrees to provide annual audited financial statements to the Authority as soon as reasonably practical upon their becoming available and if not made available within one year of the end of the fiscal year, then the Borrower shall provide unaudited annual financial statements for such fiscal year within one year of the end of the fiscal year and audited financial statements for such fiscal year when they become available and, upon request, such other financial information as shall be reasonably requested to the Authority.

(l) The Borrower covenants and agrees to comply with the terms and requirements applicable to Borrower in the Resolution.

(m) All information provided to the Authority in this Loan Agreement or in any other document or instrument with respect to the Loan, this Loan Agreement or the Projects, was at the time provided, and is now, true, correct and complete, and such information does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V

Events of Default

Section 5.01. Events of Default. An Event of Default shall occur hereunder if any one or more of the following events shall happen:

(a) the payments required by Sections 3.01 through 3.08 are not paid punctually when due;

(b) default shall be made by the Borrower in the due performance of or compliance with any of the terms hereof, other than those referred to in the foregoing subdivision (a), and such default shall continue for sixty (60) days after the Authority or the Trustee shall have given the Borrower written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 60-day period, if the Borrower shall fail to proceed promptly to commence curing the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the 60 days that the time to cure the same shall be extended for such period as may be reasonably necessary to complete the curing of the same with all due diligence);

(c) the Borrower shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Projects or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(d) a petition shall be filed against the Borrower seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation and shall remain undismissed or unstayed for an aggregate of 90 days (whether or not

consecutive), or if any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Projects shall be appointed without the consent or acquiescence of the Borrower and such appointment shall remain unvacated or unstayed for an aggregate of 90 days (whether or not consecutive).

Section 5.02. Remedies. (a) In the event the Borrower shall fail to remit the Loan Repayments when and as required under this Loan Agreement, the Commissioner of Finance and Administration of the State, upon notification by the Authority, shall without further authorization, withhold the Loan Repayment due from the Borrower's Unobligated State-Shared Taxes. The Authority shall deliver notice of the foregoing to the Borrower as required by the Act.

(b) Upon the continuing occurrence of an Event of Default not cured pursuant to subsection (a) above, (regardless of the pendency of any proceeding which has or might have the effect of preventing the Borrower from complying with the terms of this Loan Agreement), the Authority, the Trustee, as assignee of the Authority, or any other Person who has succeeded to the rights of the Authority hereunder, at any time thereafter and while such Event of Default shall continue, may, at its option, and subject to the provisions of the Resolution, take any action at law or in equity to collect amounts then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the Resolution.

ARTICLE VI

Prepayment

Section 6.01. Optional Prepayment. The Borrower shall have the right to optionally prepay its Loan by providing written notice thereof to the Authority. Thereupon the Authority shall so notify the Paying Agent/Trustee for the Series 2010 Bonds of the proposed redemption and shall make arrangements satisfactory for the optional redemption of the Series 2010 Bonds. In connection therewith, the Borrower shall prepay all or such portion of the Loan as shall correspond to the amount of the Series 2010 Bonds to be redeemed and in sufficient time to permit the redemption in accordance with the Resolution. The amount to be paid by Borrower shall be Borrower's Proportionate Share of the Redemption Price to be paid by the Authority with respect to the Series 2010 Bonds to be redeemed (which shall be paid by Borrower from sources other than any proceeds derived from the sale of the Series 2010 Bonds and investment earnings thereon), if any, plus such additional amount as shall be determined to be required by the Authority to permit the contemplated redemption of the Series 2010 Bonds in authorized denominations.

Section 6.02. Mandatory Prepayment Price.

(a) The Loan shall be subject to mandatory prepayment in such amount as shall be determined under Section 6.02(d) if the Borrower fails to expend all proceeds in Borrower's Account of the Loan Fund either (i) within three years of the issuance of the Series

2010 Bonds and no extension of the period for expenditures has been granted by the Internal Revenue Service or (ii) by the expiration of such extension period.

(b) The Loan shall also be subject to mandatory prepayment in such amount as shall be determined under Section 6.02(e) if the Authority has determined that an “Extraordinary Event” (as defined in the Series 2010 Bonds) shall have occurred and determining to redeem the Series 2010 Bonds prior to the maturity.

(c) Following the occurrence of the event specified in Section 6.02(a) or Section 6.02(b), the Borrower shall prepay the Loan on the Mandatory Prepayment Date at the Mandatory Prepayment Price.

(d) The Mandatory Prepayment Price with respect to a Section 6.02(a) event shall be that amount that the Borrower shall be required to prepay as of the designated Mandatory Prepayment Date, which shall be equal to unspent amounts in the Borrower’s Account of the Loan Fund (which shall be used, to the extent possible, to redeem Series 2010 Bonds), plus the Borrower’s Proportionate Share of any Redemption Price for the Series 2010 Bonds that will be redeemed (which shall be paid by Borrower from sources other than any proceeds derived from the sale of the Series 2010 Bonds and investment earnings thereon), if any, plus such additional amount as shall be determined to be required by the Authority to permit the contemplated redemption of the Series 2010 Bonds in authorized denominations.

(e) The Mandatory Prepayment Price with respect to a Section 6.02(b) event shall be that amount the Borrower shall be required to prepay as of the designated Mandatory Prepayment Date, which shall be equal to Borrower’s Proportionate Share of the Redemption Price to be paid by the Authority with respect to the Series 2010 Bonds being redeemed.

Section 6.03. Partial Prepayment. Except as otherwise provided herein, any principal prepayment amount shall be applied in reduction of payment obligations set forth on **Exhibit D** as Borrower shall elect by written notice to the Authority with the consent of the Authority.

Section 6.04. Deposit of Prepayment Amount. The prepayment amount shall be deposited with the Treasurer, its custodian or the Trustee in immediately available funds not later than 10:00 a.m., Nashville time, on the Prepayment Date.

Section 6.05. Discharge of Other Obligations. Notwithstanding any other provisions hereof, this Loan Agreement shall not terminate on the date on which the Borrower shall be obligated to prepay (whether or not any delay in the completion of such prepayment shall be the fault of Authority), nor shall the Borrower’s obligations hereunder cease when the Borrower shall have paid all amounts payable hereunder (including all amounts due under Article III hereof) without set-off, counterclaim, abatement, suspension, deduction, diminution, or defense for any reason whatsoever, so long as the Series 2010 Bonds are Outstanding and unpaid, and until the Borrower shall have discharged or provision satisfactory to Authority shall have been made for the discharge of, all of its obligations under this Loan Agreement, which obligations have arisen on or after the date for prepayment, including the obligation to pay amounts due and payable on the date of the prepayment.

ARTICLE VII

Indemnification

Section 7.01. Indemnification of Trustee and Authority. The Borrower covenants and agrees, to the extent it is authorized by applicable law, to indemnify the Trustee, if any, and the Authority and each successor trustee and the officers, directors, employees and agents of the Trustee or any such successor trustee and the Authority (the Trustee, each successor trustee, the Authority, and such officers, directors, employees and agents being hereinafter referred to in this Section collectively as the “Indemnified Parties” and individually as an “Indemnified Party”) for, and to hold each Indemnified Party harmless against, any loss, liability, tax, assessment or other governmental charge (other than taxes applicable to their compensation hereunder) or expenses incurred without negligence, willful misconduct or bad faith on the part of such Indemnified Party, arising out of or in connection with the acceptance or administration of the Resolution or the trusts thereunder and the duties of the Trustee and the Authority thereunder (but only to the extent the Resolution, its administration, required duties and trusts thereunder are applicable to Borrower, this Loan Agreement or the Series 2010 Bonds), including enforcement of this Loan Agreement and this Section thereof and also including any liability which may be incurred as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses incurred by such indemnified Party in the course of defending itself against or investigating any claim of liability in the premises. The obligations of the Borrower under this Section to compensate and indemnify the indemnified Parties and to pay or reimburse each Indemnified Party for expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Loan Agreement.

ARTICLE VIII

Miscellaneous

Section 8.01. Waiver of Statutory Rights. The rights and remedies of the Authority and the Borrower under this Loan Agreement shall not be adversely affected by any laws, ordinances, or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Loan Agreement affecting or regulating or attempting to affect or regulate any amounts payable hereunder.

Section 8.02. Non-Waiver by Authority. No failure by Authority or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Loan Agreement or constitute a waiver of a then existing or subsequent breach.

Section 8.03. Remedies Cumulative. Each right, power and remedy of Authority provided for in this Loan Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Loan Agreement, or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers or remedies are sought to be enforced, and the exercise or beginning of the exercise by

the Authority or the Trustee, if any, of any one or more of the rights, powers or remedies provided for in this Loan Agreement or now or hereafter existing at law or in equity or by statute, or otherwise shall not preclude the simultaneous or later exercise by the Authority or Trustee of any or all such other rights, powers or remedies.

Section 8.04. Amendments, Changes and Modification. Except as otherwise provided in this Loan Agreement or in the Resolution, subsequent to the issuance of the Series 2010 Bonds and prior to the payment in full of the Series 2010 Bonds, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, if any, and the holders of the Series 2010 Bonds.

Section 8.05. Applicable Law - Entire Understanding. This Loan Agreement shall be governed exclusively by the applicable laws of the State of Tennessee. This Loan Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Loan Agreement.

Section 8.06. Severability. In the event that any clause or provision of this Loan Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provisions shall not affect any of the remaining provisions of such instrument.

Section 8.07. Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Loan Agreement shall be in writing, and shall be deemed to have been properly given and received if sent by United States certified or registered mail, postage prepaid, (a) if to the Borrower, addressed to the Borrower, at Blount County Mayor, 341 Court Street, Blount County Courthouse, Maryville, Tennessee 37804-5906, (b) if to the Authority, addressed to the Authority, Attention: Director of Bond Finance, 1600 James K. Polk Office Building, 505 Deaderick Street, Nashville, Tennessee 37243-0273, (e) if to the Trustee, addressed to the Trustee at The Bank of New York Mellon Trust Company, N.A., 900 Ashwood Parkway, Suite 426, Atlanta, Georgia 30338, Attention: Corporate Trust Department, or at such other addresses as any addressee from time to time may have designated by written notice to the other addressees named above. The Authority shall promptly forward to the Borrower copies of any notice received by it from the Trustee under the Resolution.

Section 8.08. Headings and References. The headings in this Loan Agreement are for the convenience of reference only and shall not define or limit the provisions thereof. All references in this Loan Agreement to particular Articles or Sections are references to Articles or Sections of this Loan Agreement, unless otherwise indicated.

Section 8.09. Successors and Assigns. The terms and provisions of this Loan Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 8.10. Multiple Counterparts. This Loan Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 8.11. Amendments, Chances and Modifications of Resolution. The Authority covenants and agrees that it will not, without the prior written consent of the Borrower, enter into or consent to any amendment, change or modification of the Resolution which would adversely affect the Borrower's rights under this Loan Agreement.

Section 8.12. No Liability of Authority's and Borrower's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority or the Borrower, either directly or through the Authority or the Borrower. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by the Borrower and the Authority against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Loan Agreement.

Section 8.13. Continuing Disclosure. Borrower agrees to furnish any and all financial information and operating data pertaining to it which is required to be disclosed by the Authority annually pursuant to Rule 15c2-12 of the Securities and Exchange Commission, at the times required by the Authority to comply with its secondary market disclosure obligations under Rule 15c2-12. The Authority agrees to provide to the Borrower a list of the information and data required to be furnished by the Borrower and the time frame within which the same is to be furnished to the Authority.

Signatures on Following Page

IN WITNESS WHEREOF, THE TENNESSEE STATE SCHOOL BOND AUTHORITY has executed this Loan Agreement by causing its name to be hereunto subscribed by two of its Authorized Officers; and BLOUNT COUNTY, TENNESSEE, has executed this Loan Agreement by causing its name to be hereunto subscribed by its County Mayor and County Clerk, all being done as of the day and year first above written.

TENNESSEE STATE SCHOOL BOND AUTHORITY

(SEAL)

By: _____
Authorized Officer

ATTEST:

Authorized Officer

BLOUNT COUNTY, TENNESSEE

(SEAL)

By: _____
County Mayor

ATTEST:

County Clerk

EXHIBIT A
REQUISITION
Series 2010 Bonds

REQUISITION NO. _____

Tennessee State School Bond Authority

The undersigned, being an Authorized Borrower Representative within the meaning of that term as set forth in a loan agreement (the "Loan Agreement"), dated _____, 2010, by and between the Tennessee State School Bond Authority and Blount County, Tennessee (the "Borrower"), submits this Requisition on behalf of the Borrower pursuant to Section 2.04 of the Loan Agreement, as follows:

1. Borrower hereby requests disbursement to the Borrower pursuant to the Loan Agreement of \$_____.
2. All amounts advanced hereunder will be used to pay Cost of the Projects, as defined in the Loan Agreement.
3. The amounts requested hereunder have not been the subject of a previous request for disbursement of funds.
4. The subject of this request is a proper Costs of the Projects, as described in the Loan Agreement.
5. The amount requested should be wired to:

Bank: _____
ABA Number: _____
Account Name: _____
Account Number: _____

It is understood that your duties will be discharged with respect to the disbursement requested hereunder if payment is made as provided herein.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand, this _____ day of _____, ____.

BLOUNT COUNTY, TENNESSEE
Name: _____
Title: _____

Funding Date: _____, _____, ____.

After execution, fax the Requisition as follows.

Attn: _____
(615) _____ (Office Confirm)
(615) _____ (FAX)

EXHIBIT B

**COMPLETION CERTIFICATE
Series 2010 Bonds**

The undersigned, being an Authorized Borrower Representative within the meaning of that Loan Agreement (“Loan Agreement”), dated _____, 2010, by and between the Tennessee State School Bond Authority and Blount County, Tennessee (the “Borrower”), submits this Completion Certificate on behalf of the Borrower pursuant to Section 2.05 of the Loan Agreement, as follows:

1. No additional advances of funds under the Loan Agreement will be requested from the Trustee, and no additional Requisitions for disbursement of funds will be presented to the Trustee;

2. The Project or Projects to be financed with the proceeds of the Loan under the Loan Agreement have been completed or sufficient funds are available to complete the Project or Projects to the satisfaction of the Borrower; and

3. The Authority and the Trustee are directed to apply any excess funds remaining in the Borrower Account of the Loan Fund under the Loan Agreement in accordance with the provisions of Section 2.05 of the Loan Agreement.

Notwithstanding the foregoing, this Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this _____ day of _____.

BLOUNT COUNTY, TENNESSEE

Name: _____

Title: _____

EXHIBIT C
DESCRIPTION OF PROJECTS

EXHIBIT D
LOAN REPAYMENT SCHEDULE

Loan Repayment Dates

Principal

Interest

RESOLUTION No. 10-08-11

Sponsored By Commissioners: John Keeble and Kenneth Melton

A RESOLUTION AUTHORIZING THE LEASE UNDER TENNESSEE CODE ANNOTATED 7-51-904 OF AN OFFICE COPIER FOR THE CLERK & MASTER OFFICE OF BLOUNT COUNTY.

WHEREAS, Tennessee Code Annotated 7-51-904 (a) states that "Whenever the period or term, including any renewal term or extension period, of any contract, lease, or lease-purchase agreement for any real property is to be for less than five (5) years, under the authority of 7-51-902 or 7-51-903, or for tangible personal property, regardless of the period or term, such contract, lease or lease-purchase agreement shall first be approved by resolution or ordinance duly adopted by the governing body of the municipality, and no such contract, lease, or lease-purchase agreement shall be entered into by a municipality without such approval."; and

WHEREAS, Tennessee Code Annotated 7-51-901 (4) defines a municipality as any county or incorporated city or town of the state of Tennessee; and

WHEREAS, the Clerk & Master office, of Blount County wishes to lease an office copier to meet the duplicating needs of the Clerk & Master office; and

WHEREAS, the following copier is available under the terms and conditions of the State Contract No. SWC404:

<u>Office</u>	<u>Vendor</u>
<u>Cost per Mo.</u>	
Clerk & Master	Oce Imagistics
175.00	

WHEREAS, there is sufficient money available within the department budget to fund the lease of the copier.

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Blount County, Tennessee, meeting in session assembled this 19th day of August, 2010, that the lease of a copy machine for the Clerk & Master Office, under terms and conditions of the State Contract No. SWC404 is hereby authorized.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKES EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT; AND THAT ANY PRIOR RESOLUTION TO THE CONTRARY IS HEREBY DECLARED VOID.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved:_____

Vetoed: _____
Date County

Mayor

AGREEMENT

THIS AGREEMENT, made and entered into on this the ____ day of _____, 2010, by and between BLOUNT MEMORIAL HOSPITAL, INCORPORATED, an eleemosynary corporation with its principal office and place of business in Maryville, Blount County, Tennessee, hereinafter referred to as "Hospital," and BLOUNT COUNTY, CITY OF MARYVILLE and CITY OF ALCOA, hereinafter referred to as "Governments."

WITNESSETH:

THAT WHEREAS, heretofore the parties hereto entered in an agreement in May 2007 with respect to the payment in lieu of taxes by the Hospital to the governmental entities hereinabove set out; and

WHEREAS, said Agreement was for a period of five (5) years; and

WHEREAS, said Agreement terminated with the 2011 payment; and

WHEREAS, the parties hereto wish to terminate said Agreement and have agreed to a new five year agreement.

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and conditions hereinafter contained, it is agreed between the parties hereto as follows:

1. The Hospital shall pay annually to the three (3) governmental entities an in lieu of tax payment in the initial amount of Two Hundred Thousand Dollars (\$200,000.00), which payment will be due and payable by October 1, 2010. The governmental entities shall divide the in lieu of tax payment as they shall determine.

The payment due by October 1, 2011, shall be adjusted on January 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the year 2010. The amount of the change in the payment shall be determined by multiplying the existing payment by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States Department of Labor, as of the close of the twelve-month period ending on August 31 of that year.

The payment due by October 1, 2012, shall be adjusted on January 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the year 2011. The amount of the change in the payment shall be determined by multiplying the existing payment by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States Department of Labor, as of the close of the twelve-month period ending on August 31 of that year.

The payment due by October 1, 2013, shall be adjusted on January 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the year 2012. The amount of the change in the payment shall be determined by multiplying the existing payment by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States Department of Labor, as of the close of the twelve-month period ending on August 31 of that year.

The payment due by October 1, 2014, shall be adjusted on January 1 to reflect the increase, if any, by which the consumer price index for the most recent year exceeds the consumer price index for the year 2013. The amount of the change in the payment shall be determined by multiplying the existing payment by the change in the consumer price index and rounding the result to the nearest dollar. The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States Department of Labor, as of the close of the twelve-month period ending on August 31 of that year.

2. The in lieu of tax payment hereinabove set out will be due and payable on the 1st day of October of each year provided that the Hospital has at least a positive return on operations for the preceding fiscal year of the Hospital. The amounts used in this calculation shall be based on the audited financial statements as prepared by an independent certified public accountant and filed with and approved by the State of Tennessee Comptroller of the Treasury.

3. This Agreement shall continue in full force and effect for a period of five (5) years and shall be re-negotiated at the end of said five (5) years.

4. In the event the Hospital receives a tax notice for real or personal property located in Blount County, Tennessee, this Agreement shall automatically become null and void.

5. This Agreement shall bind and inure to the benefit of the parties hereto and the successors and/or assigns of the Hospital.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by the proper parties thereunto duly authorized, on the day and date first above written.

BLOUNT MEMORIAL HOSPITAL,
INCORPORATED

By: _____

Title: _____

HOSPITAL

BLOUNT COUNTY

By: _____

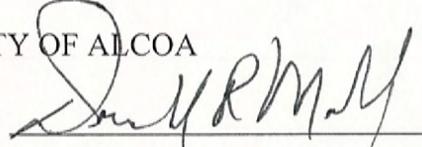
Title: _____

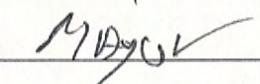
CITY OF MARYVILLE

By: _____

Title: _____

CITY OF ALCOA

By:  _____

Title:  _____

GOVERNMENTS

Resolution No. 10-08-012

Sponsored by Commissioners Kenneth Melton and John Keeble

A RESOLUTION TO AMEND THE BLOUNT COUNTY TRAVEL REIMBURSEMENT RATES AS ADOPTED BY THE STATE OF TENNESSEE.

WHEREAS, the Blount County Board of Commissioners upon the recommendation of the Blount County Budget Committee will adhere to the standard reimbursement rates for in/out of state mileage, meals and lodging set forth by the State of Tennessee as identified in the attached notice by Commissioner M.D. Goetz of the State of Tennessee Department of Finance and Administration; and

WHEREAS, this action will be effective this 19th day of August, 2010 and will not be retroactive beyond the date of approval by the Blount County Board of Commissioners; and

WHEREAS, the rates set forth in this resolution will change in accordance to any changes made by the State of Tennessee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session, this 19th day of August, 2010, that the travel reimbursement rates are amended as listed above.

Adopted and approved this 19th day of August, 2010.

CERTIFICATION OF ACTION

ATTEST

Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date

Department of Finance and Administration
Standard Reimbursement Rates
Lodging and Meals Revised October 1, 2009
Mileage Revised January 1, 2010

General Reimbursement Rates

Standard Mileage Rate Effective January 1, 2010	\$	0.46/ mile
Standard Mileage Rate 7/1/09 – 12/31/09	\$	0.51/ mile
Maximum Parking Fee Without Receipt		8.00/day
Fees for Handling Equipment/Promotional Materials		20.00/hotel

Out-of-State Reimbursement Rates

Employees should utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. To view the CONUS rates, access the Department of Finance and Administration web page @ <http://www.state.tn.us/finance/> Click on Division of Accounts; then scroll to Policy Development where there is a direct link to the GSA CONUS rates. There is also a link on the Finance and Administration Intranet Travel Page Site at:
http://www.intranet.state.tn.us/finance/News_Event/index/html.

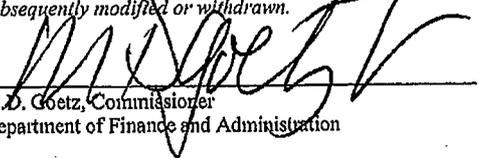
Use the CONUS standard rates for all locations within the continental United States not specifically shown on the CONUS web page as a listed point. Both in-state and out-of-state meals and incidentals are reimbursed at 75% for day of departure and/or day of return.

In-State Travel Reimbursement Rates

In-state lodging and meal rates follow the CONUS rates for Tennessee. The standard in-state lodging rate of \$70.00 and \$46.00 for meals and incidentals should be used for all in-state locations not listed below.

Counties	Maximum Lodging	Maximum Meals & Incidentals	75% of Meals & Incidentals
Davidson (Nashville)	119	66	49.50
Shelby (Memphis)	100	61	45.75
Williamson (Brentwood/Franklin)	102	56	42.00
Hamilton (Chattanooga)	87	56	42.00
Knox (Knoxville)	84	56	42.00
Anderson (Oak Ridge)	90	46	34.50

In accordance with the provisions of TCA 4-3-1-8 (3) and the Comprehensive Travel Regulations, the above travel rates supersede and rescind all previous promulgated travel rates. These rates are effective October 1, 2009 and shall remain in effect until subsequently modified or withdrawn.


 M.D. Goetz, Commissioner
 Department of Finance and Administration

12/11/09
 Date

RESOLUTION NO. 10-08-016

RESOLUTION TO AUTHORIZE THE PURCHASE OF THE ASTRO 25 COMMUNICATION SYSTEM FOR BLOUNT COUNTY FROM THE MOTOROLA CORPORATION AND ENTER INTO A LEASE/PURCHASE AGREEMENT FOR SAID PURCHASE.

Sponsored by: Commissioners Kenneth Melton and John Keeble

THAT WHEREAS. Blount County, Maryville, and Alcoa each provide law enforcement services within their respective jurisdictions in Blount County, Tennessee , and Maryville and Alcoa further provide fire protection services, and

WHEREAS, the Association of Public Safety Communications Officials (APCO) has developed a Standard which defines the Trunking and Common Air Interface (CAI) parameters for public safety systems, and

WHEREAS, Blount County, Maryville, and Alcoa’s communications systems are old and outdated, and the County’s Law Enforcement and Emergency Services agencies have the opportunity to purchase a state of the art system (ASTRO 25) made by Motorola, Inc that is a fully digital trunked radio system operating on a packet-based architecture which transports both digitized voice and data through the same system infrastructure, at a price negotiated by the State of Tennessee under the Statewide Contract Number SWC 420, and

WHEREAS, the purchase of this system will substantially improve communications within each agency as well as providing the capability to communicate with Knox County Law Enforcement, and

WHEREAS, Blount County, Maryville, and Alcoa desire to enter into an Inter-Governmental Agreement outlining sharing of the cost of the Lease-Purchase of the ASTRO 25 communication system, between the three local governmental bodies (a copy of which Inter-Governmental agreement is attached hereto)

NOW, THEREFORE BE IT RESOLVED, by the Blount County Legislative Body, meeting in regular session on this the 19th day of August, 2010, that

Blount County will enter into a Communication Systems Agreement to acquire the ASTRO 25 system for Blount County for a total cost of \$4,425,000, of which \$1,418,000 will be paid on or before October 01, 2010, and the balance of \$3,007,000 will be financed over ten (10) years under the Equipment Lease purchase Agreement (in substantially the form before the meeting). The Down Payment of \$1,418,000 will be funded as detailed in the table below

Source	Maryville	Blount County	Alcoa	Total
Homeland Security Grant	\$84,500	\$84,500	\$84,500	\$253,500
Current FY Appropriated Budget	\$71,500	\$71,500	\$71,500	\$214,500
\$750k Earmark obtained by Maryville Police Department**	\$250,000	\$250,000	\$250,000	\$750,000
Blount County 911	\$33,333	\$33,334	\$33,333	\$100,000
Drug Task Force	\$33,334	\$33,333	\$33,333	\$100,000
Total Cash Down Payment	\$472,667	\$472,667	\$472,666	\$1418,000

** Note that the Maryville PD must pay the pass-through \$750,000 Earmark funds directly to Motorola, Inc to satisfy the requirements of the grant, but this amount has been shared evenly with Alcoa and Blount County.

The System total cost and the amount to be financed in the Lease-Purchase Agreement over ten years will be shared in the following manner

Item	Maryville	Blount County	Alcoa	Total
Subscriber Radios	\$785,113	\$1,202,385	\$617,852	\$2,605,350
3 site P25 System	\$752,383	\$752,383	\$752,383	\$2,257,150
System trade in discount	(145,833)	(145,833)	(145,833)	(437,500)
Net Total	\$1,391,663	\$1,808,935	\$1,224,402	\$4,425,000
Less Down Payment	(472,667)	(472,667)	(472,666)	(1418,000)
Lease Purchase Amount	\$918,996	\$1,336,268	\$751,736	\$3,007,000

The interest rate for the lease financing will be locked in on August 20, and will be approximately 4.07%. At this rate, the Blount County Share of the annual lease payments would be \$165,819 or \$1,658,190 million over ten years. The total Interest Cost to Blount County embedded in the lease payments would be \$321,922 over the ten year lease financing.

The Counterparties for both the Communication Systems Agreement and the Lease Purchase Agreement will be Motorola, Inc and Blount County Government

NOW, THEREFORE BE IT FURTHER RESOLVED, Blount County will enter into an Inter-Governmental Agreement with the Cities of Maryville and Alcoa (attached), in which each governmental entity shall be responsible for their respective portion of the down payment and lease payments as set forth in this resolution.

Adopted this 19th day of August, 2010

Certification of Action

Attest

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date

INTER-GOVERNMENTAL AGREEMENT

THIS AGREEMENT is made and entered into on this the ____ day of _____, 2010, by and between BLOUNT COUNTY, TENNESSEE ("Blount County"), a political subdivision in the State of Tennessee; THE CITY OF MARYVILLE, TENNESSEE ("Maryville"), a municipal corporation located in Blount County, Tennessee; and THE CITY OF ALCOA, TENNESSEE, ("Alcoa"), a municipal corporation located in Blount County, Tennessee.

WITNESSETH:

THAT WHEREAS, Blount County, Maryville, and Alcoa each provide law enforcement services within their respective jurisdictions in Blount County, Tennessee, and Maryville and Alcoa further provide fire protection services, and

WHEREAS, such law enforcement and fire protection responsibilities require the use of adequate radios, and

WHEREAS, police and fire department radios currently in use are old, outdated and need to be replaced with newer digital radios and ASTRO(R) 25 fully digital trunked radio system, and

WHEREAS, the most practical and cost effective method to accomplish the purchase of such radios is through a joint and cooperative effort of the parties hereto, and

WHEREAS, the parties have selected Motorola as a proposed vendor for radios, and

WHEREAS, a single entity needs to contract for the purchase of the radios to best take advantage of volume discounts, and

WHEREAS, the radios will be financed over a period of ten (10) years, and

WHEREAS, the parties each wish to provide for payment of their fair share of these radios.

NOW, THEREFORE, for and in consideration of mutual covenants herein contained, it is agreed between the parties as follows:

1. Proposed Contract with Motorola. Blount County shall be authorized to enter into a contract with Motorola for the radios and related equipment set forth on Exhibit A hereto, financing option one.

2. Amount Authorized To Be Paid and Financed. The total amount of the contract for the radios and related equipment is Four Million Four Hundred Twenty-Five Thousand Dollars (\$4,425,000.00). A down payment will be made of One Million Four Hundred Eighteen Thousand Dollars (\$1,418,000.00) with such down payment money coming from a fund as shown on Exhibit B hereto set aside for this project. The balance to be financed will be Three Million Seven Thousand Dollars (\$3,007,000.00).
3. Title. Title to the equipment will initially vest with Blount County, Tennessee. Subsequently, Blount County will sub-lease the applicable equipment to Maryville and Alcoa as forth in Exhibit B hereto. The subsequent sub-lease will also provide for all parties' ability to use infrastructure necessary for the use and operation of the radios.
4. Financing Terms. The lease term will be ten (10) years. There will be payments due of Three Hundred Seventy-Three Thousand One Hundred Thirty-Nine and 01/100ths Dollars (\$373,139.01) in equal annual installments. The first payment will be due one year after the Motorola contract's execution.
5. Breakdown of Payments. For each annual payment of Three Hundred Seventy-Three Thousand One Hundred Thirty-Nine and 01/100ths Dollars (\$373,139.01) the City of Alcoa shall be responsible for Ninety-Three Thousand Two Hundred Eighty-Three and 25/100ths Dollars (\$93,283.25) and the City of Maryville will be responsible for One Hundred Fourteen Thousand Thirty-Six and 96/100ths Dollars (\$114,036.96). Thirty (30) days prior to the due date for the annual payment to Motorola, the City of Alcoa and the City of Maryville will make payment to Blount County of their respective required amount. Blount County will collect the money and pay the amount owed in a timely way to Motorola.
6. Insurance and Maintenance. Each of the parties hereto will insure and maintain their own equipment as desired.
7. Ownership. At the conclusion of the lease purchase agreement, the radios will become the property of Blount County under the agreement with Motorola. Blount County will then transfer all right, title and interest to Maryville and Alcoa, respectfully, for the radios and infrastructure used by and paid for by Maryville and Alcoa under this agreement at no further cost.
8. Term. The term of this agreement shall be for ten (10) years or until the debt owing to Motorola, Inc. or its assignee is paid in full.
9. Additional Equipment and Software. If any party hereto requires additional software or equipment, such additional needs shall be met by change order and shall be paid for by the requiring party.

10. Successors and Assigns. All provisions herein shall enure to and become binding on the heirs, executors, administrators, successors, representatives, receivers, trustees, and assigns of the parties hereto.

11. Notices. Any notices relating to the agreement shall be given in writing and shall be deemed satisfactorily given when deposited in the United States mail, certified or registered mail, return receipt requested, or personally delivered to the following addresses:

Blount County: Blount County, Tennessee
 341 Court Street
 Maryville, Tennessee 37804
 Attention: County Mayor

Maryville: City of Maryville
 404 W. Broadway
 Maryville, Tennessee 37801
 Attention: City Manager

Alcoa: City of Alcoa
 223 Associates Boulevard
 Alcoa, Tennessee 37701
 Attention: City Manager

12. Modification of Contract With Motorola. The contract with Motorola may not be amended by Blount County without the consent of Alcoa and Maryville.

13. Modifications of this Agreement. This agreement is intended by the parties to be a final expression of their agreement and is intended as a complete statement of the terms herein stated. This agreement may not be modified, amended, or changed in any manner except in a writing signed by the parties hereto.

14. Entire Agreement. This agreement constitutes the entire agreement of the parties hereto and supercedes all prior agreements and understandings, both written and oral, between the parties.

15. Multiple Counterparts. This agreement may be executed in several counterparts, each of which shall be deemed and original, but all of which together shall constitute one and the same instrument.

16. Non-Assignment. This agreement and the rights and duties hereunder shall not be assignable by the parties hereto.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on the day and date first written above.

BLOUNT COUNTY, TENNESSEE:

BY: _____

ITS: _____

THE CITY OF MARYVILLE, TENNESSEE:

BY: Thomas W. Taylor

ITS: Mayor

THE CITY OF ALCOA, TENNESSEE:

BY: _____

ITS: _____



MOTOROLA

Date: July 14, 2010

Financing proposal for: Blount County, TN

Motorola Customer Financing recognizes that each opportunity presents unique issues and characteristics. Therefore, our approach involves understanding our customer's operational goals and financial objectives. Should you feel another financing structure is required, Motorola Customer Financing would welcome the opportunity to work with you.

Motorola Credit Corporation is pleased to submit the following financing proposal for your Motorola equipment solution:

Transaction Type: Municipal Lease-Purchase Agreement / Tax Exempt Financing

Lessor: Motorola, Inc. (or its Assignee)

Lessee: Blount County, TN

Amount: \$4,425,000.00

Down Payment: \$1,418,000.00

Balance to Finance: \$3,007,000.00

Equipment: As per the Motorola equipment proposal.

Title, Insurance, & Maintenance: Title to the equipment will vest with the Lessee, and the Lessee will be responsible to insure & maintain the equipment as outlined in the lease contract.

Taxes: Personal property, sales, leasing, use, stamp, or other taxes are for the account of the Lessee.

	<u>Option One</u>	<u>Option Two</u>	<u>Option Three</u>
Lease Term:	Ten Years	Twelve	Fifteen
Payment Frequency:	Annual	Annual	Annual
Lease Rate:	4.13%	4.51%	4.79%
Lease Payment Plan:			
- Payments #1 thru 10	\$373,139.01	\$329,954.90	\$309,626.94
- Payments #11 thru 12	n/a	\$329,954.90	\$216,577.96
- Payments #13 thru 15	n/a	n/a	\$216,577.96
Payment Structure:	Arrears / 1st pmt due <u>1 yr after</u> contract execution	Arrears / 1st pmt due <u>1 yr after</u> contract execution	Arrears / 1st pmt due <u>1 yr after</u> contract execution

Please be advised the lease rates above are indicative of current market conditions and are subject to change. The actual lease rates can be locked on a mutually agreed upon date closer to the actual order date.

Program Highlights: Low, tax exempt financing interest rates.

Eliminate miscellaneous financing costs associated with bonding...NO special counsel fees, underwriter's fees, origination costs, or reserve fund requirements. Every dollar you borrow gets allocated towards your project.

No pre-payment penalties provided payment is made on a regularly scheduled lease payment date.

Lease Payments are subject to annual appropriation, so the Lessee DOES NOT pledge its full faith and credit.

Qualifications: Receipt of a properly executed documentation package.

The interest portion of the Lease Payments shall be excludable from the Lessor's gross income pursuant to Section 103 of the Internal Revenue Code.

Receipt of a copy of the last 2 year's audited financial statements and current year's budget from the Lessee.

This proposal should not be construed as a commitment to finance. It is subject to final credit approval.

For questions concerning this quote, please contact: Paul Mecaskey
 Motorola Credit Corporation
 847-538-3707
 pjm@motorola.com



By Entity

Item		Maryville	Blount Co	Alcoa	Total
Subscriber Radios		\$ 785,113	\$ 1,202,385	\$ 617,852	\$ 2,605,350
3-Site P25 System		\$ 752,383	\$ 752,383	\$ 752,383	\$ 2,257,150
System & Subscribers Total		\$ 1,537,496	\$ 1,954,768	\$ 1,370,235	\$ 4,862,500
System Trade-In Discount (by 9-1-2010)		\$ (145,833)	\$ (145,833)	\$ (145,833)	\$ (437,500)
Net Total		\$ 1,391,663	\$ 1,808,935	\$ 1,224,402	\$ 4,425,000
Cash Down (upon Contract Execution by 9-1-2010):					
	Date Due				
Homeland Security Grant	1-Oct-10	\$ (84,500)	\$ (84,500)	\$ (84,500)	\$ (253,500)
Blount Co Funds	1-Oct-10	\$ (71,500)	\$ (71,500)	\$ (71,500)	\$ (214,500)
\$750k Earmark (Maryville PD verifying pay process)	TBD	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ (750,000)
Blount County 911 Funds	1-Oct-10	\$ (33,333)	\$ (33,333)	\$ (33,333)	\$ (100,000)
Drug Task Force Funds	1-Oct-10	\$ (33,333)	\$ (33,333)	\$ (33,333)	\$ (100,000)
Total Cash Down:		\$ (472,667)	\$ (472,667)	\$ (472,667)	\$ (1,418,000)
Lease-Purchase Amount:		\$ 918,996	\$ 1,336,268	\$ 751,735	\$ 3,007,000



**Emergency Communications District
Of Blount County, TN
P.O. Box 4609
Maryville, TN 37802-4609**

Chief Deputy Jeff French
Blount County Sheriff's Department
940 E. Lamar Alexander Parkway
Maryville, TN 37804

Chief Deputy French,

This letter is to confirm that our agency has agreed to pay \$100,000 toward the down payment of the new radio system that is being considered by the area law enforcement and fire agencies.

Our Board of Directors held a meeting on July 8th to approve our operating budget for this fiscal year. This contribution was discussed and approved at that meeting, and the amendment to approve our budget included making this donation to the down payment of the system.

We are looking forward to obtaining this system, and feel it will greatly improve communications between all agencies on both a local and state level.

Sincerely,



Jeff Caylor,

Director, Blount County 9-1-1



Blount County
Emergency Management Agency
Department of Homeland Security
Bart Stinnett, Director Kathy Shields, Asst. Director

August 3, 2010

Blount County Budget Committee
Blount County Courthouse
Maryville, TN 37804
Attn: Jeff French

To Whom It May Concern:

The office of the Blount County Emergency Management/Department of Homeland Security will provide funding in the amount of \$253,500.00 for the procurement of an 800 MHz Trunking System in order for the Law Enforcement Agencies in Blount County and the Cities of Alcoa and Maryville, as well as the Alcoa and Maryville Fire Departments to be interoperable nationwide.

The monies will be obtained from our 2008 and 2009 Homeland Security grants and our 2010 EMPG Grant.

If you have any questions, please don't hesitate to call.

Looking forward to working with you.


Bart Stinnett, Director

341 Court Street
Maryville, Tennessee 37803



5th Judicial District Drug / Violent Crime Task Force

August 3, 2010

Steve Jennings
Finance Director
341 Court Street
Maryville, TN 37804

Reference: New 800mhz radio system

Dear Steve,

This letter is to inform you that the Fifth Judicial Drug Task Force will be contributing \$100,000.00 towards the 800mhz radio system that is being installed for the combined use of the Sheriff's Office, the City of Maryville and the City of Alcoa. I have spoken with the Board of Directors of the Drug Task Force and they have verbally approved this expense. I will do a budget increase to move this money from our fund balance into a capital line for law enforcement equipment.

If you have questions, please feel free to contact me. Thank you for your assistance in this matter.

Sincerely,

Ron Talbott
Director

Communications System Agreement (Lease Financing)

Motorola, Inc. ("Motorola") and Blount County, Tennessee ("Customer") enter into this "Agreement," pursuant to which Customer will purchase and Motorola will sell the System, as described below. Motorola and Customer may be referred to individually as a "Party" and collectively as the "Parties." For good and valuable consideration, the Parties agree as follows:

Section 1 EXHIBITS

The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through E will be resolved in their listed order.

Exhibit A-1	Motorola "Software License Agreement" between Blount County and Motorola
Exhibit A-2	Motorola "Software License Agreement" between the City of Maryville and Motorola
Exhibit A-3	Motorola "Software License Agreement" between the City of Alcoa and Motorola
Exhibit B	[Intentionally Omitted]
Exhibit C	Motorola Proposal dated April 14, 2010
Exhibit D	Service Statement(s) of Work and "Service Terms and Conditions" (if applicable)
Exhibit E	"System Acceptance Certificate"

Section 2 DEFINITIONS

Capitalized terms used in this Agreement have the following meanings:

- 2.1. "Acceptance Tests" means those tests described in the Acceptance Test Plan.
- 2.2. "Beneficial Use" means when Customer first uses the System or a Subsystem for operational purposes (excluding training or testing).
- 2.3. "Confidential Information" means any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: is or becomes publicly known through no wrongful act of the receiving Party; is already known to the receiving Party without restriction when it is disclosed; is or becomes, rightfully and without breach of this Agreement, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.
- 2.4. "Contract Price" means the price for the System, excluding applicable sales or similar taxes and freight charges.
- 2.5. "Effective Date" means that date upon which the last Party executes this Agreement.
- 2.6. "Equipment" means the equipment that Customer purchases from Motorola under this Agreement. Equipment that is part of the System is described in the Equipment List.
- 2.7. "Equipment Lease-Purchase Agreement" means the agreement by which Customer finances all or a portion of the Contract Price
- 2.8. "Force Majeure" means an event, circumstance, or act of a third party that is beyond a Party's reasonable control (e.g., an act of God, an act of the public enemy, an act of a government entity, strikes or other labor disturbances, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots).

- 2.9. "Infringement Claim" means a third party claim alleging that the Equipment manufactured by Motorola or the Motorola Software directly infringes a United States patent or copyright.
- 2.10. "Licensee" means Blount County, the City of Maryville and the City of Alcoa. For the purposes of this Agreement, a sell or license transfer will not include the City of Maryville or the City of Alcoa because they will be licensees.
- 2.11. "Motorola Software" means Software that Motorola or its affiliated company owns.
- 2.12. "Non-Motorola Software" means Software that another party owns.
- 2.13. "Open Source Software" (also called "freeware" or "shareware") means software that has its underlying source code freely available to evaluate, copy, and modify.
- 2.14. "Proprietary Rights" means the patents, patent applications, inventions, copyrights, trade secrets, trademarks, trade names, mask works, know-how, and other intellectual property rights in and to the Equipment and Software, including those created or produced by Motorola under this Agreement and any corrections, bug fixes, enhancements, updates or modifications to or derivative works from the Software whether made by Motorola or another party.
- 2.15. "Software" means the Motorola Software and Non-Motorola Software, in object code format that is furnished with the System or Equipment.
- 2.16. "Specifications" means the functionality and performance requirements that are described in Exhibit C.
- 2.17. "Subsystem" means a major part of the System that performs specific functions or operations. Subsystems are described in Exhibit C.
- 2.18. "System" means the Equipment, Software, and incidental hardware and materials that are combined together into an integrated system; the System is described in Exhibit C.
- 2.19. "System Acceptance" means the Acceptance Tests have been successfully completed.
- 2.20. "Warranty Period" means one (1) year from the date of System Acceptance or Beneficial Use, whichever occurs first.

Section 3 SCOPE OF AGREEMENT AND TERM

- 3.1. SCOPE OF WORK. Motorola will provide, install and test the System, and perform its other contractual responsibilities, all in accordance with this Agreement. Customer will perform its contractual responsibilities in accordance with this Agreement.
- 3.2. CHANGE ORDERS. Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price, Performance Schedule, or both, and will reflect the adjustment in a change order. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.
- 3.3. TERM. Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until the date of Final Project Acceptance or expiration of the Warranty Period, whichever occurs last.
- 3.4. ADDITIONAL SOFTWARE LICENSEES. The parties agree that the City of Maryville and the City of Alcoa will be users on this System, and the County agrees to obtain the signatures of the City of Maryville and the City of Alcoa on Motorola's Software License Agreement, designated herein as Exhibits A-2 and A-3.

3.4. **ADDITIONAL EQUIPMENT OR SOFTWARE.** For three (3) years after the Effective Date, Customer may order additional Equipment or Software if it is then available. Each order must refer to this Agreement and must specify the pricing and delivery terms. Notwithstanding any additional or contrary terms in the order, the applicable provisions of this Agreement (except for pricing, delivery, passage of title and risk of loss to Equipment, warranty commencement, and payment terms) will govern the purchase and sale of the additional Equipment or Software. Title and risk of loss to additional Equipment will pass at shipment, warranty will commence upon delivery, and payment is due within twenty (20) days after the invoice date. Motorola will send Customer an invoice as the additional Equipment is shipped or Software is licensed. Alternatively, Customer may register with and place orders through Motorola Online ("MOL"), and this Agreement will be the "Underlying Agreement" for those MOL transactions rather than the MOL On-Line Terms and Conditions of Sale. MOL registration and other information may be found at <http://www.motorola.com/businessandgovernment/> and the MOL telephone number is (800) 814-0601. Unless lease financing arrangements are mutually agreed in writing concerning the additional Equipment or Software orders, they are not covered by the Equipment Lease-Purchase Agreement. To the extent additional Equipment orders may be covered by the Equipment Lease Purchase Agreement, unless otherwise stated in the Equipment Lease Purchase Agreement, title to the Equipment will pass to Customer upon shipment.

3.5. **MAINTENANCE SERVICE.** During the Warranty Period, in addition to warranty services, Motorola will provide maintenance services for the Equipment and support for the Motorola Software pursuant to the Statement of Work set forth in Exhibit D. Those services and support are included in the Contract Price. If Customer wishes to purchase additional maintenance and support services for the Equipment during the Warranty Period, or any maintenance and support services for the Equipment either during the Warranty Period or after the Warranty Period, the description of and pricing for the services will be set forth in a separate document. If Customer wishes to purchase extended support for the Motorola Software after the Warranty Period, it may do so by ordering software subscription services. Unless otherwise agreed by the parties in writing, the terms and conditions applicable to those maintenance, support or software subscription services will be Motorola's standard Service Terms and Conditions, together with the appropriate statements of work.

3.6. **MOTOROLA SOFTWARE.** Any Motorola Software, including subsequent releases, is licensed to Customer solely in accordance with the Software License Agreement. Customer hereby accepts and agrees to abide by all of the terms and restrictions of the Software License Agreement.

3.7. **NON-MOTOROLA SOFTWARE.** Any Non-Motorola Software is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner on the Effective Date unless the copyright owner has granted to Motorola the right to sublicense the Non-Motorola Software pursuant to the Software License Agreement, in which case it applies and the copyright owner will have all of Licensor's rights and protections under the Software License Agreement. Motorola makes no representations or warranties of any kind regarding Non-Motorola Software. Non-Motorola Software may include Open Source Software. All Open Source Software is licensed to Customer in accordance with, and Customer agrees to abide by, the provisions of the standard license of the copyright owner and not the Software License Agreement. Upon request by Customer, Motorola will use commercially reasonable efforts to determine whether any Open Source Software will be provided under this Agreement; and if so, identify the Open Source Software and provide to Customer a copy of the applicable standard license (or specify where that license may be found); and provide to Customer a copy of the Open Source Software source code if it is publicly available without charge (although a distribution fee or a charge for related services may be applicable).

3.8. **SUBSTITUTIONS.** At no additional cost to Customer, Motorola may substitute any Equipment, Software, or services to be provided by Motorola, if the substitute meets or exceeds the Specifications and is of equivalent or better quality to the Customer. Any substitution will be reflected in a change order.

3.9. **OPTIONAL EQUIPMENT OR SOFTWARE.** This paragraph applies only if a "Priced Options" exhibit is shown in Section 1, or if the parties amend this Agreement to add a Priced Options exhibit. During the term of the option as stated in the Priced Options exhibit (or if no term is stated, then for one

(1) year after the Effective Date), Customer has the right and option to purchase the equipment, software, and related services that are described in the Priced Options exhibit. Customer may exercise this option by giving written notice to Seller which must designate what equipment, software, and related services Customer is selecting (including quantities, if applicable). To the extent they apply, the terms and conditions of this Agreement will govern the transaction; however, the parties acknowledge that certain provisions must be agreed upon, and they agree to negotiate those in good faith promptly after Customer delivers the option exercise notice. Examples of provisions that may need to be negotiated are: specific lists of deliverables, statements of work, acceptance test plans, delivery and implementation schedules, payment terms, maintenance and support provisions, additions to or modifications of the Software License Agreement, hosting terms, and modifications to the acceptance and warranty provisions.

Section 4 PERFORMANCE SCHEDULE

The Parties will perform their respective responsibilities in accordance with the Performance Schedule. By executing this Agreement, Customer authorizes Motorola to proceed with contract performance.

Section 5 CONTRACT PRICE, PAYMENT AND INVOICING

5.1. **CONTRACT PRICE.** The Contract Price in U.S. dollars is \$4,425,000.00. A down payment in the amount of \$1,418,000.00 will be due to Motorola and payable by Customer upon full execution of this Agreement.

5.2. **INVOICING AND PAYMENT.** The balance of the Contract Price, \$3,007,000.00 will be paid via the disbursement of the financing proceeds pursuant to the Equipment Lease-Purchase Agreement executed between the parties. For Customer's reference, the Federal Tax Identification Number for Motorola, Inc. is 36-1115800.

5.3. **FREIGHT, TITLE, AND RISK OF LOSS.** Motorola will pre-pay and add all freight charges to the invoices. Unless otherwise stated in the Equipment Lease-Purchase Agreement, title to the Equipment will pass to Customer upon shipment. Title to Software will not pass to Customer at any time. Risk of loss will pass to Customer upon delivery of the Equipment to the Customer. Motorola will pack and ship all Equipment in accordance with good commercial practices.

5.4. **INVOICING AND SHIPPING ADDRESSES.** Invoices will be sent to the Customer at the following address: _____

The city which is the ultimate destination where the Equipment will be delivered to Customer is: _____

The Equipment will be shipped to the Customer at the following address (insert if this information is known): _____

Customer may change this information by giving written notice to Motorola.

Section 6 SITES AND SITE CONDITIONS

6.1. **ACCESS TO SITES.** In addition to its responsibilities described elsewhere in this Agreement, Customer will provide a designated project manager; all necessary construction and building permits, zoning variances, licenses, and any other approvals that are necessary to develop or use the sites and mounting locations; and access to the work sites or vehicles identified in Exhibit C as reasonably requested by Motorola so that it may perform its duties in accordance with the Performance Schedule and Statement of Work. If the Statement of Work so indicates, Motorola may assist Customer in the local building permit process.

6.2. **SITE CONDITIONS.** Customer will ensure that all work sites it provides will be safe, secure, and in compliance with all applicable industry and OSHA standards. To the extent applicable and unless the Statement of Work states to the contrary, Customer will ensure that these work sites have adequate:

physical space; air conditioning and other environmental conditions; adequate and appropriate electrical power outlets, distribution, equipment and connections; and adequate telephone or other communication lines (including modem access and adequate interfacing networking capabilities), all for the installation, use and maintenance of the System. Before installing the Equipment or Software at a work site, Motorola will inspect the work site and advise Customer of any apparent deficiencies or non-conformities with the requirements of this Section. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

6.3. SITE ISSUES. If a Party determines that the sites identified in Exhibit C are no longer available or desired, or if subsurface, structural, adverse environmental or latent conditions at any site differ from those indicated in Exhibit C, the Parties will promptly investigate the conditions and will select replacement sites or adjust the installation plans and specifications as necessary. If change in sites or adjustment to the installation plans and specifications causes a change in the cost or time to perform, the Parties will equitably amend the Contract Price, Performance Schedule, or both, by a change order.

Section 7 TRAINING

Any training to be provided by Motorola to Customer will be described in the Statement of Work. Customer will notify Motorola immediately if a date change for a scheduled training program is required. If Motorola incurs additional costs because Customer reschedules a training program less than thirty (30) days before its scheduled start date, Motorola may recover these additional costs.

Section 8 SYSTEM ACCEPTANCE

8.1. COMMENCEMENT OF ACCEPTANCE TESTING. Motorola will provide to Customer at least ten (10) days notice before the Acceptance Tests commence. System testing will occur only in accordance with the Acceptance Test Plan.

8.2. SYSTEM ACCEPTANCE. System Acceptance will occur upon successful completion of the Acceptance Tests. Upon System Acceptance, the Parties will memorialize this event by promptly executing a System Acceptance Certificate. If the Acceptance Test Plan includes separate tests for individual Subsystems or phases of the System, acceptance of the individual Subsystem or phase will occur upon the successful completion of the Acceptance Tests for the Subsystem or phase, and the Parties will promptly execute an acceptance certificate for the Subsystem or phase. If Customer believes the System has failed the completed Acceptance Tests, Customer will provide to Motorola a written notice that includes the specific details of the failure. If Customer does not provide to Motorola a failure notice within thirty (30) days after completion of the Acceptance Tests, System Acceptance will be deemed to have occurred as of the completion of the Acceptance Tests. Minor omissions or variances in the System that do not materially impair the operation of the System as a whole will not postpone System Acceptance or Subsystem acceptance, but will be corrected according to a mutually agreed schedule.

8.3. BENEFICIAL USE. Customer acknowledges that Motorola's ability to perform its implementation and testing responsibilities may be impeded if Customer begins using the System before System Acceptance. Therefore, Customer will not commence Beneficial Use before System Acceptance without Motorola's prior written authorization, which will not be unreasonably withheld. Motorola is not responsible for System performance deficiencies that occur during unauthorized Beneficial Use. Upon commencement of Beneficial Use, Customer assumes responsibility for the use and operation of the System.

8.4 FINAL PROJECT ACCEPTANCE. Final Project Acceptance will occur after System Acceptance when all deliverables and other work have been completed. When Final Project Acceptance occurs, the parties will promptly memorialize this final event by so indicating on the System Acceptance Certificate.

Section 9 REPRESENTATIONS AND WARRANTIES

9.1. SYSTEM FUNCTIONALITY. Motorola represents that the System will perform in accordance with the Specifications in all material respects. Upon System Acceptance or Beneficial Use, whichever

occurs first, this System functionality representation is fulfilled. Motorola is not responsible for System performance deficiencies that are caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System or for reasons or parties beyond Motorola's control, such as natural causes; the construction of a building that adversely affects the microwave path reliability or radio frequency (RF) coverage; the addition of frequencies at System sites that cause RF interference or intermodulation; or Customer changes to load usage or configuration outside the Specifications.

9.2. **EQUIPMENT WARRANTY.** During the Warranty Period, Motorola warrants that the Equipment under normal use and service will be free from material defects in materials and workmanship. If System Acceptance is delayed beyond six (6) months after shipment of the Equipment by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Equipment.

9.3. **MOTOROLA SOFTWARE WARRANTY.** Unless otherwise stated in the Software License Agreement, during the Warranty Period, Motorola warrants the Motorola Software in accordance with the terms of the Software License Agreement and the provisions of this Section 9 that are applicable to the Motorola Software. If System Acceptance is delayed beyond six (6) months after shipment of the Motorola Software by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Motorola Software. **TO THE EXTENT, IF ANY, THAT THERE IS A SEPARATE LICENSE AGREEMENT PACKAGED WITH, OR PROVIDED ELECTRONICALLY WITH, A PARTICULAR PRODUCT THAT BECOMES EFFECTIVE ON AN ACT OF ACCEPTANCE BY THE END USER, THEN THAT AGREEMENT SUPERCEDES THIS SOFTWARE LICENSE AGREEMENT AS TO THE END USER OF EACH SUCH PRODUCT.**

9.4. **EXCLUSIONS TO EQUIPMENT AND MOTOROLA SOFTWARE WARRANTIES.** These warranties do not apply to: (i) defects or damage resulting from: use of the Equipment or Motorola Software in other than its normal, customary, and authorized manner; accident, liquids, neglect, or acts of God; testing, maintenance, disassembly, repair, installation, alteration, modification, or adjustment not provided or authorized in writing by Motorola; Customer's failure to comply with all applicable industry and OSHA standards; (ii) breakage of or damage to antennas unless caused directly by defects in material or workmanship; (iii) Equipment that has had the serial number removed or made illegible; (iv) batteries (because they carry their own separate limited warranty) or consumables; (v) freight costs to ship Equipment to the repair depot; (vi) scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment; and (vii) normal or customary wear and tear.

9.5. **WARRANTY CLAIMS.** To assert a warranty claim, Customer must notify Motorola in writing of the claim before the expiration of the Warranty Period. Upon receipt of this notice, Motorola will investigate the warranty claim. If this investigation confirms a valid warranty claim, Motorola will (at its option and at no additional charge to Customer) repair the defective Equipment or Motorola Software, replace it with the same or equivalent product, or refund the price of the defective Equipment or Motorola Software. That action will be the full extent of Motorola's liability for the warranty claim. If this investigation indicates the warranty claim is not valid, then Motorola may invoice Customer for responding to the claim on a time and materials basis using Motorola's then current labor rates. Repaired or replaced product is warranted for the balance of the original applicable warranty period. All replaced products or parts will become the property of Motorola.

9.6. **ORIGINAL END USER IS COVERED.** These express limited warranties are extended by Motorola to the original user purchasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable.

9.7. **DISCLAIMER OF OTHER WARRANTIES.** **THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE EQUIPMENT AND MOTOROLA SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

Section 10 DELAYS

10.1. **FORCE MAJEURE.** Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule for a time period that is reasonable under the circumstances.

10.2. **PERFORMANCE SCHEDULE DELAYS CAUSED BY CUSTOMER.** If Customer (including its other contractors) delays the Performance Schedule, it will make the promised payments according to the Payment Schedule as if no delay occurred; and the Parties will execute a change order to extend the Performance Schedule and, if requested, compensate Motorola for all reasonable charges incurred because of the delay. Delay charges may include costs incurred by Motorola or its subcontractors for additional freight, warehousing and handling of Equipment; extension of the warranties; travel; suspending and re-mobilizing the work; additional engineering, project management, and standby time calculated at then current rates; and preparing and implementing an alternative implementation plan.

Section 11 DISPUTES

The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

11.1. **GOVERNING LAW.** This Agreement will be governed by and construed in accordance with the laws of the State of Tennessee.

11.2. **NEGOTIATION.** Either Party may initiate the Dispute resolution procedures by sending a notice of Dispute ("Notice of Dispute"). The Parties will attempt to resolve the Dispute promptly through good faith negotiations including 1) timely escalation of the Dispute to executives who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for the matter and 2) direct communication between the executives. If the Dispute has not been resolved within ten (10) days from the Notice of Dispute, the Parties will proceed to mediation.

11.3 **MEDIATION.** The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute.

11.4. **LITIGATION, VENUE and JURISDICTION.** If a Dispute remains unresolved for sixty (60) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction in the state in which the System is installed. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

11.5. **CONFIDENTIALITY.** Subject to requirements under public records disclosure laws, all communications pursuant to subsections 11.2 and 11.3 will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law. The use of these Dispute resolution procedures will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either Party.

Section 12 DEFAULT AND TERMINATION

12.1 **DEFAULT BY A PARTY.** If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Customer for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days

after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If Customer is the defaulting Party, Motorola may stop work on the project until it approves the Customer's cure plan.

12.2. **FAILURE TO CURE.** If a defaulting Party fails to cure the default as provided above in Section 12.1, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Customer is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third Party, Customer may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Contract Price. Customer will mitigate damages and provide Motorola with detailed invoices substantiating the charges.

Section 13 INDEMNIFICATION

13.1. **GENERAL INDEMNITY BY MOTOROLA.** Motorola will indemnify and hold Customer harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Customer to the extent it is caused by the negligence of Motorola, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Customer gives Motorola prompt, written notice of any the claim or suit. Customer will cooperate with Motorola in its defense or settlement of the claim or suit. This section sets forth the full extent of Motorola's general indemnification of Customer from liabilities that are in any way related to Motorola's performance under this Agreement.

13.2. **GENERAL INDEMNITY BY CUSTOMER.** Subject to the conditions, limitations, restrictions and limits of the Tennessee Governmental Tort Liability Act, and to the extent permitted by law, Customer will indemnify and hold Motorola harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Motorola to the extent it is caused by the negligence of Customer, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Motorola gives Customer prompt, written notice of any the claim or suit. Motorola will cooperate with Customer in its defense or settlement of the claim or suit. This section sets forth the full extent of Customer's general indemnification of Motorola from liabilities that are in any way related to Customer's performance under this Agreement.

13.3. PATENT AND COPYRIGHT INFRINGEMENT.

13.3.1. Motorola will defend at its expense any suit brought against Customer to the extent it is based on a third-party claim alleging that the Equipment manufactured by Motorola or the Motorola Software ("Motorola Product") directly infringes a United States patent or copyright ("Infringement Claim"). Motorola's duties to defend and indemnify are conditioned upon: Customer promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Customer providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the Infringement Claim. In addition to Motorola's obligation to defend, and subject to the same conditions, Motorola will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Motorola in settlement of an Infringement Claim.

13.3.2. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Customer the right to continue using the Motorola Product; (b) replace or modify the Motorola Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Motorola Product and grant Customer a credit for the Motorola Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

13.3.3. Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Motorola Product with any software, apparatus or device not furnished by

Motorola; (b) the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Motorola Product; (c) Motorola Product designed or manufactured in accordance with Customer's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Motorola Product by a party other than Motorola; (e) use of the Motorola Product in a manner for which the Motorola Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to install an enhancement release to the Motorola Software that is intended to correct the claimed infringement. In no event will Motorola's liability resulting from its indemnity obligation to Customer extend in any way to royalties payable on a per use basis or the Customer's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Motorola from Customer from sales or license of the infringing Motorola Product.

13.3.4. This Section 13 provides Customer's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. Customer has no right to recover and Motorola has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 13 are subject to and limited by the restrictions set forth in Section 14.

Section 14 LIMITATION OF LIABILITY

Except for personal injury, death or tangible property, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, indemnification, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the Contract Price. ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT, THE SALE OR USE OF THE EQUIPMENT OR SOFTWARE, OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT. This limitation of liability provision survives the expiration or termination of the Agreement and applies notwithstanding any contrary provision.

Section 15 CONFIDENTIALITY AND PROPRIETARY RIGHTS

15.1. CONFIDENTIAL INFORMATION. During the term of this Agreement, the parties may provide each other with Confidential Information. Subject to the Tennessee Open Records Act, each Party will: maintain the confidentiality of the other Party's Confidential Information and not disclose it to any third party, except as authorized by the disclosing Party in writing or as required by a court of competent jurisdiction; restrict disclosure of the Confidential Information to its employees who have a "need to know" and not copy or reproduce the Confidential Information; take necessary and appropriate precautions to guard the confidentiality of the Confidential Information, including informing its employees who handle the Confidential Information that it is confidential and is not to be disclosed to others, but these precautions will be at least the same degree of care that the receiving Party applies to its own confidential information and will not be less than reasonable care; and use the Confidential Information only in furtherance of the performance of this Agreement. Confidential Information is and will at all times remain the property of the disclosing Party, and no grant of any proprietary rights in the Confidential Information is given or intended, including any express or implied license, other than the limited right of the recipient to use the Confidential Information in the manner and to the extent permitted by this Agreement and subject to Tennessee law.

15.2. PRESERVATION OF MOTOROLA'S PROPRIETARY RIGHTS. Motorola, the third party manufacturer of any Equipment, and the copyright owner of any Non-Motorola Software own and retain all of their respective Proprietary Rights in the Equipment and Software, and nothing in this Agreement is intended to restrict their Proprietary Rights. All intellectual property developed, originated, or prepared by Motorola in connection with providing to Customer the Equipment, Software, or related services remain vested exclusively in Motorola, and this Agreement does not grant to Customer any shared development rights of intellectual property. Except as explicitly provided in the Software License Agreement, Motorola

does not grant to Customer, either directly or by implication, estoppel, or otherwise, any right, title or interest in Motorola's Proprietary Rights. Customer will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export the Software, or permit or encourage any third party to do so. The preceding sentence does not apply to Open Source Software which is governed by the standard license of the copyright owner.

Section 16 GENERAL

16.1. **TAXES.** The Contract Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Customer except as exempt by law. If Motorola is required to pay any of these taxes, Motorola will send an invoice to Customer and Customer will pay to Motorola the amount of the taxes (including any interest and penalties) within twenty (20) days after the date of the invoice. Customer will be solely responsible for reporting the Equipment for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income or net worth.

16.2. **ASSIGNABILITY AND SUBCONTRACTING.** Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. In addition, in the event Motorola separates one or more of its businesses (each a "Separated Business"), whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Motorola may, without the prior written consent of the other Party and at no additional cost to Motorola, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Motorola and its affiliates, to the extent applicable) following the Separation Event. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

16.3 **WAIVER.** Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

16.4. **SEVERABILITY.** If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

16.5. **INDEPENDENT CONTRACTORS.** Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

16.6. **HEADINGS AND SECTION REFERENCES.** The section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which the heading refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

16.7. **ENTIRE AGREEMENT.** This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.

16.8. NOTICES. Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address shown below by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt:

Motorola, Inc. Attn: Judy Jean-Pierre, Law Department 1301 E. Algonquin Road, ILO2-SH-5, Rm 1610 Schaumburg, IL 60196	Blount County, Tennessee Attn: County Mayor 341 Court Street Maryville, TN 37804
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City of Maryville Attn: City Manager 404 West Broadway Maryville, TN 37801	City of Alcoa Attn: City Manager 223 Associates Boulevard Alcoa, TN 278701
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16.9. COMPLIANCE WITH APPLICABLE LAWS. Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System. Customer will obtain and comply with all Federal Communications Commission ("FCC") licenses and authorizations required for the installation, operation and use of the System before the scheduled installation of the Equipment. Although Motorola might assist Customer in the preparation of its FCC license applications, neither Motorola nor any of its employees is an agent or representative of Customer in FCC or other matters.

16.10. AUTHORITY TO EXECUTE AGREEMENT. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

16.11. SURVIVAL OF TERMS. The following provisions will survive the expiration or termination of this Agreement for any reason: Section 3.6 (Motorola Software); Section 3.7 (Non-Motorola Software); if any payment obligations exist, Sections 5.1 and 5.2 (Contract Price and Invoicing and Payment); Subsection 9.7 (Disclaimer of Implied Warranties); Section 11 (Disputes); Section 14 (Limitation of Liability); and Section 15 (Confidentiality and Proprietary Rights); and all of the General provisions in Section 16.

The Parties hereby enter into this Agreement as of the Effective Date.

Motorola, Inc.

Customer

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A-1

SOFTWARE LICENSE AGREEMENT

This Exhibit A Software License Agreement ("Agreement") is between Motorola, Inc. ("Motorola") and Blount County, Tennessee ("Licensee").

For good and valuable consideration, the parties agree as follows:

Section 1 DEFINITIONS

1.1 "Designated Products" means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.

1.2 "Documentation" means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).

1.3 "Open Source Software" means software with either freely obtainable source code, license for modification, or permission for free distribution.

1.4 "Open Source Software License" means the terms or conditions under which the Open Source Software is licensed.

1.5 "Primary Agreement" means the agreement to which this exhibit is attached.

1.6 "Security Vulnerability" means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.

1.7 "Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary Software or products containing embedded or pre-loaded proprietary Software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee's use of the Software and Documentation.

Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola's copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; (ii) identify the Open Source Software and provide Licensee a copy of the applicable Open Source Software License (or specify where that license may be found); and, (iii) provide Licensee a copy of the Open Source Software source code, without charge, if it is publicly available (although distribution fees may be applicable).

Section 4 LIMITATIONS ON USE

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

4.4. When using Motorola's Radio Service Software ("RSS"), Licensee must purchase a separate license for each location at which Licensee uses RSS. Licensee's use of RSS at a licensed location does not entitle Licensee to use or access RSS remotely. Licensee may make one copy of RSS for each licensed location. Licensee shall provide Motorola with a list of all locations at which Licensee uses or intends to use RSS upon Motorola's request.

4.5. Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor.

Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.

Section 5 OWNERSHIP AND TITLE

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY

6.1. The commencement date and the term of the Software warranty will be a period of ninety (90) days from Motorola's shipment of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements that are not described in this Agreement. Motorola makes no representations or warranties with respect to any third party software included in the Software.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

Section 7 TRANSFERS

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products

to a third party, Licensee may assign its right to use the Software (other than RSS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; *provided* that Licensee transfers all copies of the Software and Documentation to the transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.

Section 8 TERM AND TERMINATION

8.1 Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2 Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3 Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

Section 9 UNITED STATES GOVERNMENT LICENSING PROVISIONS

This Section applies if Licensee is the United States Government or a United States Government agency. Licensee's use, duplication or disclosure of the Software and Documentation under Motorola's copyrights or trade secret rights is subject to the restrictions set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 (JUNE 1987), if applicable, unless they are being provided to the Department of Defense. If the Software and Documentation are being provided to the Department of Defense, Licensee's use, duplication, or disclosure of the Software and Documentation is subject to the restricted rights set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988), if applicable. The Software and Documentation may or may not include a Restricted Rights notice, or other notice referring to this Agreement. The provisions of this Agreement will continue to apply, but only to the extent that they are consistent with the rights provided to the Licensee under the provisions of the FAR or DFARS mentioned above, as applicable to the particular procuring agency and procurement transaction.

Section 10 CONFIDENTIALITY

Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and Confidential Information and are Motorola's trade secrets, and that the provisions in the Primary Agreement concerning Confidential Information apply, subject to the Tennessee Open Records Act.

Section 11 LIMITATION OF LIABILITY

The Limitation of Liability provision is described in the Primary Agreement.

Section 12 NOTICES

Notices are described in the Primary Agreement.

Section 13 GENERAL

13.1. **COPYRIGHT NOTICES.** The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.

13.2. **COMPLIANCE WITH LAWS.** Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

13.3. **ASSIGNMENTS AND SUBCONTRACTING.** Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

13.4. **GOVERNING LAW.** This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State to which the Software is shipped if Licensee is a sovereign government entity, or the internal substantive laws of the State of Illinois if Licensee is not a sovereign government entity. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

13.5. **THIRD PARTY BENEFICIARIES.** This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

13.6. **SURVIVAL.** Sections 4, 5, 6.3, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

13.7. **ORDER OF PRECEDENCE.** In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

13.8 **SECURITY.** Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.

Exhibit E
System Acceptance Certificate

Customer Name: _____

Project Name: _____

This System Acceptance Certificate memorializes the occurrence of System Acceptance. Motorola and Customer acknowledge that:

1. The Acceptance Tests set forth in the Acceptance Test Plan have been successfully completed.
2. The System is accepted.

Customer Representative:

Motorola Representative:

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FINAL PROJECT ACCEPTANCE:

Motorola has provided and Customer has received all deliverables, and Motorola has performed all other work required for Final Project Acceptance.

Customer Representative:

Motorola Representative:

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



August 10, 2010

ABCDE

Enclosed for your review, please find the **Municipal Lease** documentation in connection with the radio equipment to be lease purchased from Motorola. The interest rate and payment streams outlined in Equipment Lease Purchase Agreement #12345 are valid for contracts that are executed and returned to Motorola on or before **June 29, 2010**. After **6/29/10**, the Lessor reserves the option to re-quote and re-price the transaction based on current market interest rates.

Please have the documents executed where indicated and forward the documents to the following address:

Motorola Credit Corporation
Attn: Paul Mecaskey / 5th Floor (SH5-B)
1301 E. Algonquin Rd
Schaumburg, IL 60196

Should you have any questions, please contact me at 847-538-3707.

Thank You,

MOTOROLA CREDIT CORPORATION
Paul Mecaskey

Sample Only – Not for Execution

LESSEE FACT SHEET

Please help Motorola, Inc. provide excellent billing service by providing the following information:

1. Complete **Billing** Address ABCDE

Attention: _____
Phone: _____
2. Lessee County Location: _____
3. Federal Tax I.D. Number _____
4. Purchase Order Number to be referenced on invoice (if necessary) or other “descriptions” that may assist in determining the applicable cost center or department: _____
5. Equipment description that you would like to appear on your invoicing: _____

Appropriate Contact for Documentation / System Acceptance Follow-up:

6. Appropriate Contact & Mailing Address

Phone: _____
Fax: _____

7. Payment remit to address: **Motorola Credit Corp.**
P.O. Box 71132
Chicago IL 60694-1132

Thank you

SAMPLE ONLY - EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease Number: 12345

LESSEE:

ABCDE
112 Your Street
Your City, IL 60406

LESSOR:

Motorola, Inc.
1301 E. Algonquin Rd.
Schaumburg, IL 60196

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the Equipment described in any Schedule A now or hereafter attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

1. TERM. This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A and unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

2. RENT. Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion, in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and pursue funds from which the Lease Payments may be made. It is Lessee's intent to make Lease Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

3. DELIVERY AND ACCEPTANCE. Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor.

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate.

4. REPRESENTATIONS AND WARRANTIES. Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Motorola, Inc. pursuant to contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Lease to the contrary, in the event the funds appropriated by Lessee's governing body or otherwise available by any means whatsoever in any fiscal period of Lessee for Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Notwithstanding the foregoing, Lessee agrees, to the extent not prohibited by law, that it will not cancel this Lease under the provisions of this Section if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter.

6. LESSEE CERTIFICATION. Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excludable from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payments to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all public bidding requirements where necessary and by due notification presented this Lease for approval and adoption as a valid obligation on its part, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

If Lessee breaches the covenant contained in this Section, the interest component of Lease Payments may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, notwithstanding anything to the contrary contained in Section 11 of this Agreement, Lessee agrees to pay promptly after any such determination of taxability and on each Lease Payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludibility (including, without limitation, compensation relating to interest expense, penalties or additions to tax), which determination

shall be conclusive (absent manifest error). Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds.

It is Lessor's and Lessee's intention that this Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

7. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon shipment of the Equipment to Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

8. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor.

9. ALTERATIONS. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. LOCATION; INSPECTION. The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

12. RISK OF LOSS: DAMAGE; DESTRUCTION. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of : (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Balance Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

13. INSURANCE. Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent,

Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or its Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

14. INDEMNIFICATION. Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

15. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. EVENT OF DEFAULT. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. REMEDIES. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the Fiscal Year in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at

Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; and (iv) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

18. PURCHASE OPTION. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

18.1 PARTIAL PAYMENT/PURCHASE OPTION – GRANT FUNDING. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to make a partial payment against the Lease one time per calendar year at an amount no less than \$15,000.00 SO LONG AS SUCH PAYMENT IS BEING MADE FROM A FEDERAL GRANT FUNDING AWARD and upon Lessor's request, Lessee will provide Lessor certification of such. Application of said payment shall first be applied to accrued interest with the remainder going against the principal. Should Lessee make such payment, all remaining Lease Payments will be adjusted accordingly over the remainder of the Lease Term and Lessor shall provide to Lessee a revised Schedule B. Any reduction in outstanding principal can be viewed as the Lessee obtaining a greater equity position in the Lease subject to Lessor's rights pursuant to the other terms of this Lease.

19. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

20. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

21. GOVERNING LAW. This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

22. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

23. ENTIRE AGREEMENT; WAIVER. This Lease, together with the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

24. EXECUTION IN COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of _____, 20_____.

LESSEE:

LESSOR:

ABCDE

MOTOROLA, INC.

By: _____

By: _____

Title: _____

Title: _____

SAMPLE ONLY – NOT FOR EXECUTION

Sample Only – Not for Execution

OPINION OF COUNSEL

With respect to that certain Equipment Lease-Purchase Agreement # 12345 dated _____ by and between Motorola, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (III) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law.

Attorney for **ABCDE**

Sample Only – Not for Execution

SCHEDULE A EQUIPMENT LEASE-PURCHASE AGREEMENT

Schedule A 12345
Lease Number:

This Equipment Schedule dated as of _____ is being executed by MOTOROLA, INC. ("Lessor") and ABCDE (Lessee"), as a supplement to, and is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number 12345 dated as of _____ ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.
Equipment Location: IL	

Initial Term: 36 Months

Commencement Date: 7/1/2007

First Payment Due Date: 7/20/2007

_____ **Payments** as outlined in the attached Schedule B, plus Sales/Use Tax of \$0.00, payable on the Lease Payment Dates set forth in Schedule B.

EXECUTED as of the date first herein set forth.

LESSEE:

LESSOR:

ABCDE

Motorola, Inc.

By: _____

By: _____

Title: _____

Title: _____

Schedule B (#12345) / ABCDE

Amortization Schedule / Payment Plan (Schedule) Goes Here

INITIAL INSURANCE REQUIREMENT: \$XXXXXXX.XX

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

LESSEE:

LESSOR:

ABCDE

Motorola, Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

CERTIFICATE OF INCUMBENCY

I, _____ do hereby certify that I am the duly elected or

(Signature of Secretary/Clerk)

appointed and acting Secretary or Clerk of the **ABCDE**, an entity duly organized and existing under the laws of the **State of** _____ that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding offices set forth opposite of their respective names. I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures and (ii) such officers have the authority on behalf of such entity to enter into that certain Equipment Lease Purchase Agreement number **12345** dated _____, and Schedule A number **12345** dated _____, between **ABCDE** and Motorola, Inc.

Name

Title

Signature

(Individual who signed Lease documents should be listed here and sign where applicable)

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of **ABCDE**, hereto this _____ day of _____, 2010.

By: _____

(Signature of Secretary/Clerk)

SEAL

STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, **please address the following questions** by completing this form or by sending a separate letter:

- 1.** What is the specific use of the equipment?
- 2.** Why is the equipment essential to the operation of **ABCDE**?

- 3.** Does the equipment replace existing equipment?

If so, why is the replacement being made?

- 4.** Is there a specific cost justification for the new equipment?

If yes, please attach outline of justification.

- 5.** What is the expected source of funds for the payments due under the Lease for the current fiscal year and future fiscal years?

General Fund

- Have dollars already been appropriated for the Lease Payment? Yes -or- No

- If yes, for what fiscal year(s) have appropriations been made? _____

Combination of Federal Grant funding supplemented by General Revenues

- What fiscal year(s) is expected to be funded via federal grants: _____

- What fiscal year(s) is expected to be funded via general revenues: _____

- Have these general revenues already been appropriated for the Lease Payment(s)? Yes -or- No

Other (please describe): _____

Lessee: **ABCDE**

By: _____

Title: _____

Date: _____

EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee and Lessor.

Equipment Lease Purchase Agreement Date: _____

Lease Schedule A Date: _____

Equipment Lease Purchase Agreement No.: 12345 Lease Schedule A No. : 12345

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# 12345 dated _____. See Schedule A for a detailed Equipment List.

LESSEE:

ABCDE

By: _____

Title: _____

Date: _____

***** If applicable, please complete *****

Bank Qualified (Lease# 12345)

LESSEE CERTIFIES THAT IT HAS DESIGNATED THIS LEASE AS A QUALIFIED TAX-EXEMPT OBLIGATION IN ACCORDANCE WITH SECTION 265(b)(3) OF THE CODE, THAT IT HAS NOT DESIGNATED MORE THAN \$30,000,000 OF ITS OBLIGATIONS AS QUALIFIED TAX-EXEMPT OBLIGATIONS IN ACCORDANCE WITH SUCH SECTION FOR THE CURRENT CALENDAR YEAR AND THAT IT REASONABLY ANTICIPATES THAT THE TOTAL AMOUNT OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY LESSEE DURING THE CURRENT CALENDAR YEAR WILL NOT EXCEED \$30,000,000.

Lessee:

ABCDE

By: _____

Title _____

***** Please complete or submit a copy of your official Resolution approving the acquisition AND the financing. *****

LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease Agreement) held on _____, 2010 the following resolution was introduced and adopted.

BE IT RESOLVED by the Governing Board of Lessee as follows:

1. **Determination of Need.** The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease Schedule A#12345 dated as of _____, 2010, between __ABCDE_(Lessee) and Motorola, Inc. (Lessor).
2. **Approval and Authorization.** The Governing body of Lessee has determined that the Lease Agreement, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease Agreement by the Lessee and hereby designates and authorizes the following person(s) to execute and deliver the Lease Agreement on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease Agreement.

Authorized Individual(s): _____
Printed or typed name(s) and title(s) of Individual(s) authorized to execute the Lease Agreement.

3. **Adoption of Resolution.** The signatures below from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Signature: _____

Attested By: _____

Name and Title : _____

Name and Title: _____

To: **ABCDE**

Please return a copy of your most recent audited financial statements along with the executed lease documentation to:

Motorola Credit Corporation
1301 E. Algonquin Rd. / 5th Floor (SH5-B)
Schaumburg, IL 60196
Attn: Customer Financing

Thank you for your assistance.

Regards,

Credit Department
Motorola Credit Corporation

Information Return for Tax-Exempt Governmental Obligations

Department of the Treasury
Internal Revenue Service

Under Internal Revenue Code Section 149 (e)
See separate instructions
Caution: Use Form 8038-GC if the issue price is under \$100,000

Part I Reporting Authority

If Amended Return. Check here

1 Issuer's name ABCDE		2 Issuer's employer identification	
3 Number and street (or P. O. box if mail is not delivered to Street address)		Room/suite	4 Report number 2010 - 12345
5 City, town, or post office, state, and ZIP code		6 Date of Issue	
7 Name of issue Equipment Lease Purchase Agreement # 12345		8 CUSIP number N/A	
9 Name and title of officer or legal representative whom the IRS may		10 Telephone number of officer or legal representative	

Part II Type of Issue (check applicable box(es) and enter the issue price) See Instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe (see instructions)	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/>	If obligations are BANs, check box <input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations (Complete for the entire issue for which this form is being filed)

	(a) Final Maturity date	(b) Issue Price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21			N/A	years	%

Part IV Uses of Proceeds of Bonds Issue (including underwriters' discount)

N/A

22 Proceeds used for accrued interest	22	0.00
23 Issue Price of entire issue (Enter amount from line 21, column (b))	23	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably require reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

N/A

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advanced refunded	years
33 Enter the last date on which the refunded bonds will be called	
34 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous

N/A

35 Enter the amount of the state volume cap allocated to the issue under section 141 (b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____	
38 If the issuer has designated the issue under section 265 (b)(3)(B)(i)(III) (smaller issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Signature of Issuer's authorized representative _____ Date _____

Type or print name and title _____

Instructions for 8038-G:

On 8038-G forms, the below described lines need to be filled out by the Lessee:

1. **Line No. 2:** Fill in the Lessee's EIN number (a.k.a. "Federal Tax I.D. Number"). (An issuer that does not have an EIN should apply for one on Form SS-4, Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Administration offices. File Form SS-4 according to the instructions on that form. If the EIN has not been received by the date of filing the 8038-G, write "Applied for" in the space for the EIN).
2. **Line No. 9:** State the name and the title for the legal representative the IRS may call for more information. The legal representative is the person who will be contacted if there are any questions with respect to the IRS form 8038-G and the transaction reported. Typically this person is employed by the issuer and is the same person who signs the IRS Form 8038-G.
3. **Line No. 10:** State the telephone number of the person listed in line 9.



Tennessee Valley Regional Communications System

Executive Summary



Mission Critical, Regional Digital Communications System to Provide Total Interoperability





VISION FOR TENNESSEE VALLEY

“To provide Tennessee Valley First Responders with an advanced standards-based communications system that enhances interoperability and improves safety and performance regardless of jurisdictional boundaries.”

TENNESSEE VALLEY NEEDS

- **Local Operability** - reliable voice communications for local Tennessee Valley agencies
- **Regional Interoperability** - seamless communications throughout Tennessee Valley
- **Mission Critical Capability** - features and functionality designed for Tennessee Valley First Responders
- **Network Reliability** - 24/7 system availability
- **Platform Compatibility** - leverage existing Tennessee Valley infrastructure and subscribers

LOCAL OPERABILITY

Reliable Voice Communications for Local Tennessee Valley Agencies

What is Project 25?

It is critical that first responders have reliable mission critical communications capabilities to enable them to carry out their day to day public safety functions. Project 25 is a user-driven communications protocol that allows digital radios to communicate and interoperate with one another. Project 25 digital radio standards are the result of the desire from the public safety and Federal Government user communities to have a common platform for digital radios to “talk” to one another, thus eliminating communication “islands.” Any manufacturer that so desires can deliver Project 25 features and systems since, unlike proprietary systems, no single manufacturer controls the technology.

Tennessee Valley Regional Communications Network Design

To provide essential communication and enhance interoperability throughout the Tennessee Valley region, Hamilton County and the City of Chattanooga, Tennessee have requested a quotation for a Project 25 (P25) based upgrade and expansion to their existing SmartZone Mixed Mode, 15 channel simulcast radio system. Our P25 based solution includes an ASTRO 25 IP Master Site, simulcast Prime Site with 4 RF simulcast sites, 14 ASTRO 25 Repeater Sites, and Motorola’s SmartX site translation system. SmartX allows the City of Chattanooga to use legacy 3600 baud based sites operation on the new 9600 P25 core switch.

Hamilton County and the City of Chattanooga, Tennessee have been chosen to lead the public safety radio interoperation of 9 counties in the East Tennessee Valley. These counties are Hamilton, Bradley, McMinn, Rhea, Meigs, Roane, Loudon, Anderson and Knox. Chattanooga has targeted 90% mobile coverage with 95% reliability throughout the region. The following are the components that create the Tennessee Valley Regional (TVR) Communications System:

Master Site

- The ASTRO 25 Master Site is responsible for processing calls, managing audio paths, controlling zone infrastructure, and providing services to subscribers and console operators.
- Chattanooga and Hamilton County’s existing SmartZone Master Site resides in the City’s 911 operation center. The system’s Master Site will also be housed in this location.

Prime Site

- The ASTRO 25 Prime Site is the acts as a control and digitized audio center for the simulcast subsystem.
- The ASTRO 25 Prime Site will be housed in the White Oak building. The remote site locations will be detailed on page 4.

ASTRO 25 Simulcast Sites

- 10 channel ASTRO 25 Simulcast Repeater RF systems with antenna and lines will be added to complement existing simulcast sites located in the Chattanooga area.

ASTRO 25 Repeater Sites

5 channel ASTRO 25 Site Repeater RF systems with antenna and lines will be located at remote sites throughout the Tennessee Valley area. These sites will extend interoperable communications to 700/800 MHz P25 capable subscriber units within the TVR footprint.

SmartX Site Converter System

SmartX is Motorola's solution to leverage existing RF infrastructure and offer a Project 25 migration. SmartX will connect to the existing sites at the transport between the site and the Master Site and provide native interaction with the new, Project 25 system.

MCC7500 IP Dispatch Console

MCC 7500 console equipment connects directly to the Zone Controller IP transport network. It uses the IP packet protocols for passing call control data and call audio through the system. This proposal includes one (1) Operator Position located at the City of Chattanooga Radio Shop.

Private Microwave Site Links

Motorola has included a Harris Microwave system that will be loop protected when possible and monitored hot standby on all spur links to loop protected sites.

Data Applications through Integrated Voice and Data

- Programming Over P25 (POP25)
The POP25 feature allows a customer to configure a radio remotely from his/her enterprise network by sending a sequence of commands over-the-air.
- Text Messaging Service
The ASTRO 25 Text Messaging Services feature provides a rapid and convenient means of message communications among its network users.



REGIONAL INTEROPERABILITY

Interoperability with Surrounding Tennessee Valley Agencies

Throughout the Tennessee Valley much of the states most important infrastructure is located. Many of these infrastructures have been designated as high threat areas. The concentration of these threats within the Tennessee Valley makes interoperability with all agencies paramount.

Interstate 75 Corridor

Interstate 75 represents one of the countries key North/ South traffic corridors. Daily through and around this corridor a higher than normal degree of criminal activity is witnessed by Tennessee Valley First Responders. Drug Trafficking, Commercial Vehicle Enforcement, Stolen Vehicles, and Routine Traffic Enforcement are just some of the activities that make reliable interoperable communications essential.

Sequoyah Nuclear Power Plant

The “Sequoyah Plan,” describes federal, state, local and participating agency response to emergencies at the Sequoyah Nuclear Power Plant, operated by the Tennessee Valley Authority. The plant is located just north of the City of Chattanooga. Any incident that occurs at Sequoyah could potentially affect the neighborhoods and environment in the off-site area surrounding the plant. For this reason, the State of Tennessee, the Tennessee Valley Authority and the counties in the potentially impacted areas agreed to work together to develop a response capability to protect health, safety, and the environment. The development of these plans is required by the Nuclear Regulatory Commission as a condition for the licensing of the plant. The ability to have interoperable communications between all effected agencies is paramount in the execution of these plans.



Watts Bar Nuclear Power Plant

The “Watts Bar Plan” describes federal, state, local and participating agency response to emergencies at the Watts Bar Nuclear Power Plant, operated by the Tennessee Valley Authority. The plant is located just outside the City of Dayton, 50 miles north of Chattanooga. Any incident that occurs at Watts Bar could potentially affect the neighborhoods and environment in the off-site area surrounding the plant. For this reason, the State of Tennessee, the Tennessee Valley Authority and the counties in the potentially impacted



areas agreed to work together to develop a response capability to protect health, safety, and the environment. The development of these plans is required by the Nuclear Regulatory Commission as a condition for the licensing of the plant. The ability to have interoperable communications between all effected agencies is paramount in the execution of these plans.

Oak Ridge Reservation

The Department of Energy’s Oak Ridge Reservation is home to a world-leading research and manufacturing park with major federal programs in the areas of science, environmental management, nuclear fuel supply, and national security. These programs are located in three primary sites in and around Oak Ridge including Oak Ridge National Laboratory, the East Tennessee Technology Park, and the Oak Ridge Institute for Science and Education. Any incident that occurs at Oak Ridge could potentially affect the neighborhoods and environment in the off-site area surrounding the reservation. For this reason, the State of Tennessee, the Department of Energy and the counties in the potentially impacted areas agreed to work together to develop a response capability to protect health, safety, and the environment. The ability to have interoperable communications between all effected agencies is paramount in the execution of these plans.



MISSION CRITICAL CAPABILITY

Mission Critical design is incorporated into the features and functionality every Motorola public safety radio system

Our ASTRO 25 solution will provide first responders in the Tennessee Valley with all of the features and functionality that are fully compliant with APCO's current Project 25 digital trunked radio standards. ASTRO 25 will also provide the Regional Communications Network with a communications network capable of doing much more.

ASTRO 25 provides capabilities such as:

Features / Functionality

Direct interoperability for 9 counties within the Tennessee Valley

The ability to source radios from multiple vendors

Integrated data built into the digital voice network

The ability to add 96 kbps High Performance Data (HPD) to the network with a migration path to wideband operation (230 kbps)

700 and 800 MHz capability

A migration path for TDMA operation

Support for IP Dispatch Consoles

Support for existing CentraCom consoles

The ability to add GPS capability

Over-the-Air Programming

Alphanumeric Text Service

Network Security

Benefits for Tennessee Valley

Communications capability with many other first responders

Tennessee Valley First Responders are not locked into purchasing radios from a single vendor

A data pipe to meet low speed data needs

Provides Tennessee Valley First Responders with higher speed mobile data options now and in the future

Increased network capacity in the future by utilizing both 700 and 800 MHz frequencies

Increased network capacity in the future

An industry standard platform operating on a Local Area Network can be added to the system

Leverage existing console investments

Track valuable resources making them more efficient and effective

The ability to program radios over the air, saving time and money

Communicate without tying up valuable voice resources

Prevent, detect, and respond to network security incidents

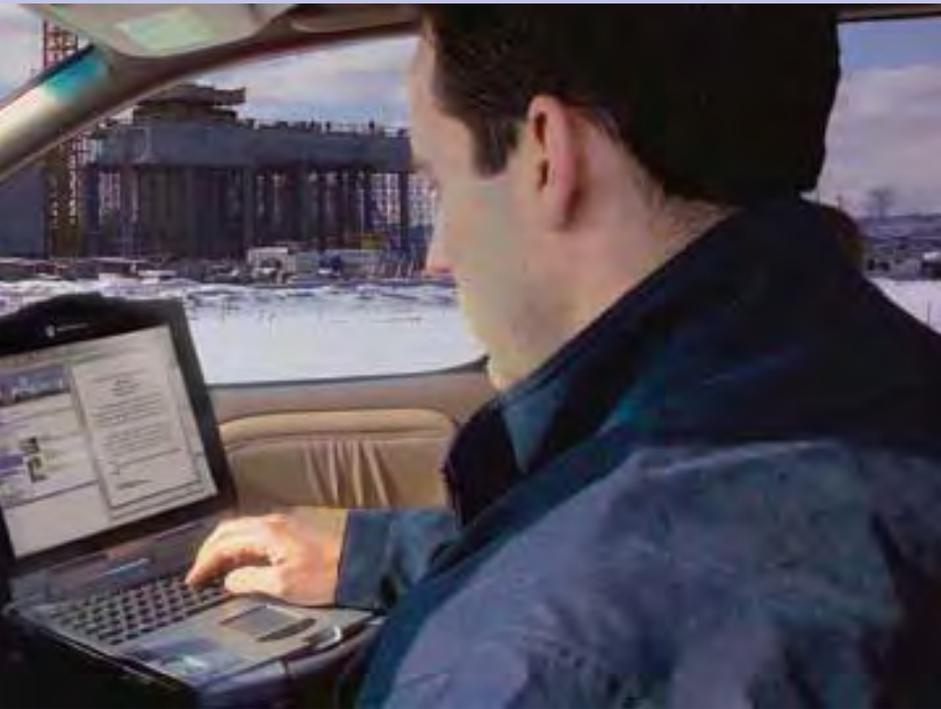
PROJECT 25 OBJECTIVES

- **Maximize Radio Spectrum Efficiency**
- **Ensure Competition in System Lifecycle Procurements**
- **Allow Effective, Efficient, and Reliable Intra-Agency Communications**
- **Provide “User Friendly” Equipment**



The Federal Government has awarded a \$3.0 billion contract to numerous radio manufacturers for the procurement of Project 25 equipment. The momentum continues to build.

Today, as the appeal of the Tennessee Valley continues to attract new residents and businesses, the Valley faces a number of challenges unimagined a decade ago. Among these challenges is the need for increased coverage, capacity, improved interoperability with surrounding agencies all across the Valley and beyond, and the ability to add important system capabilities such as mobile data.



As technology has evolved, the critical nature of communications in serving as a tool to public safety and government officials has grown immensely. The new ASTRO 25 Digital Network will pave the way for instituting a collaborative model that will allow the Tennessee Valley First Responders to communicate with each other and with the future State-wide Tennessee Wireless Interoperable Net "TnWIN". This will help to promote a very high level of interoperability. The new digital system will also provide seamless roaming between sites. Integrated Data will provide a mobile data pipe that Tennessee Valley First Responders can utilize for numerous data applications in the field. In the future even more data capacity would be available by adding the 96 kbps high performance data system (HPD) to the network.

In today's world there is an ever increasing need for interoperable radio communications between multiple public safety agencies, including county, state, federal and adjacent communities. Our ASTRO 25 solution will provide Tennessee Valley First Responders with multiple levels of interoperability, including direct interoperability with the following agencies:

- Anderson County
- McMinn County
- Bradley County
- Meigs County
- Hamilton County
- Rhea County
- Loudon County
- Roane County
- Knox County



RELIABILITY, MOTOROLA'S MISSION CRITICAL DESIGN PHILOSOPHY

Mission Critical Design is incorporated into every Motorola public safety radio system

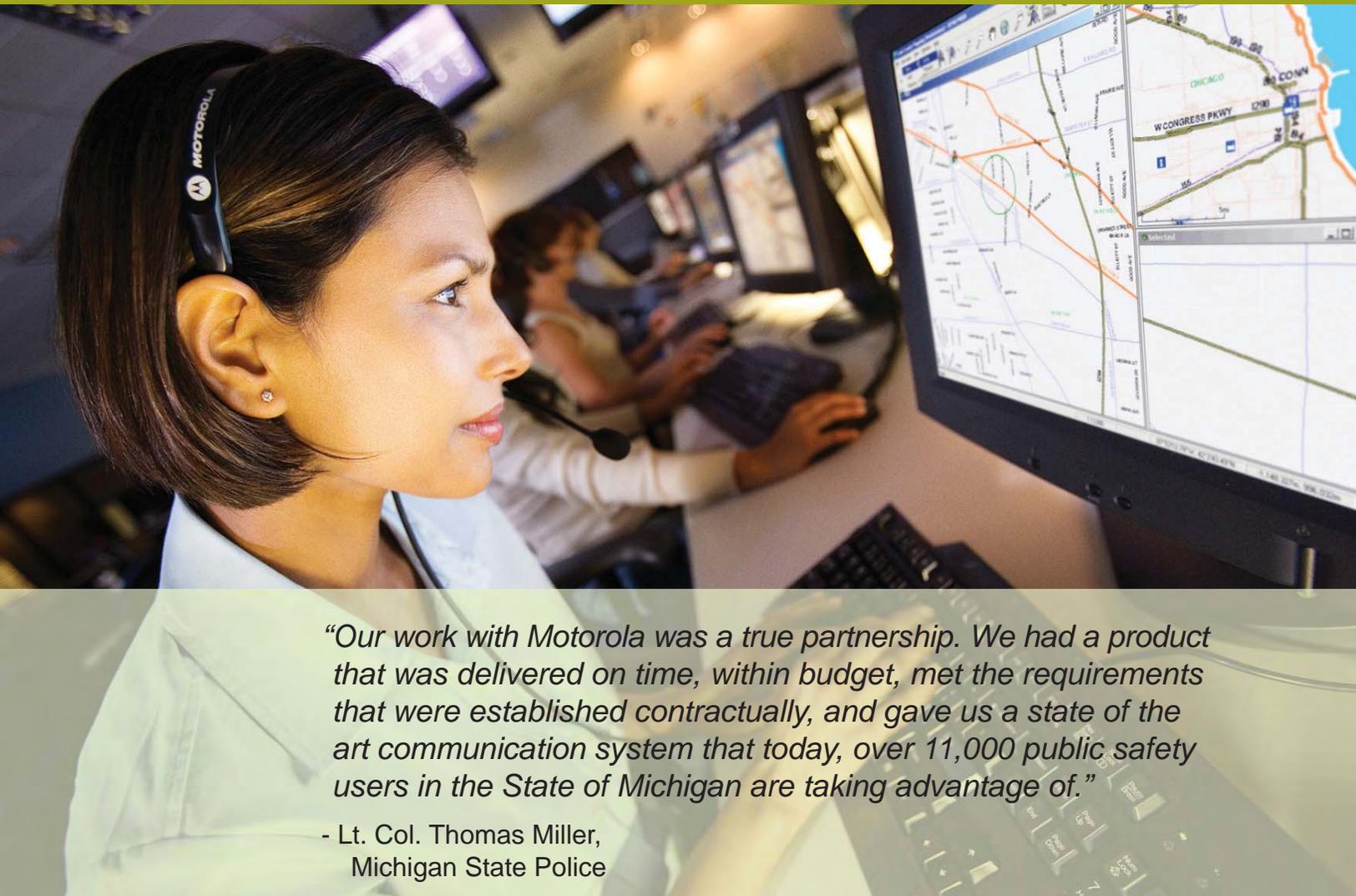
- Design for the worst case scenario, to ensure the network is available when the Tennessee Valley's emergency responders need it most
- Build critical components with redundancy to ensure no single points of failure
- Use components manufactured to withstand harsh public safety conditions

Motorola understands that Tennessee Valley system users, which may vary from public safety to executive and administrative personnel, could be working during times of life threatening emergencies. Therefore, we have designed the system with several built-in redundant and fault-tolerant considerations.



A PARTNER WHO CAN PROVIDE THE HIGHEST LEVEL OF SERVICE AND SUPPORT

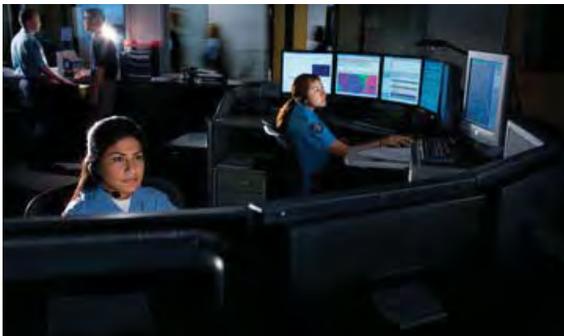
Tennessee State and Local Government and Motorola have experienced an excellent partnership over the years in keeping the current radio system in operation 24 hours a day, 7 days a week. Motorola also has a staff of System Technologists who are available to assist our customer's radio personnel if additional field expertise is ever needed.



“Our work with Motorola was a true partnership. We had a product that was delivered on time, within budget, met the requirements that were established contractually, and gave us a state of the art communication system that today, over 11,000 public safety users in the State of Michigan are taking advantage of.”

- Lt. Col. Thomas Miller,
Michigan State Police

Motorola's Network Operations Center will remotely monitor the ASTRO 25 system during the warranty period. The Network Operation Center currently monitors more than 600 systems and is staffed 24 hours a day, 7 days a week. The continual monitoring of your system ensures it operates at peak efficiency at all times. Of the systems monitored by Motorola 80% of all system issues are resolved before our customers are aware of them. This facility stocks more than 2,100 different replacement part kits and has a system lab for problem replication.



A PARTNER WITH EXPERIENCE

Motorola has been delivering Project 25 compliant IP-based trunked systems since 2001. As of 2006, Motorola has deployed over 60 Project 25 systems worldwide. More than one third of these systems are in the 700/800 MHz band. Motorola has more than 50 additional Project 25 systems awaiting deployment.

A system of this complexity requires an integrator with the experience to coordinate all aspects of the implementation process to ensure successful system performance. Motorola has a long history of successfully implementing complex projects. These projects vary in complexity from statewide systems to wide area city & county systems. By selecting an integrator with the ability to coordinate all aspects of a project, you will have one point of contact to resolve all implementation issues.

While there have been many innovations in two-way radio in the past 20 years, some things remain constant, Motorola has:

- **The best technology and highest quality equipment**
- **The experience to implement the equipment as a fully functional system**
- **The ability to provide service and support of the system throughout its lifecycle**

Motorola has established itself as the leading manufacturer and provider of public safety communication systems because it has proven over time that it excels in all these areas. Motorola's quality products combined with vast experience in systems integration provides our customers with the confidence that the system will be installed efficiently, effectively and within budget. Motorola's long-standing commitment to provide state-of-the-art communication systems to the public safety sector assures the Tennessee Valley Regional that system upgrades will be available to allow the system to keep pace with technological advances.

NORTH AMERICA PUBLIC SAFETY SYSTEMS

***Motorola is the vendor of choice
in 29 of 33 statewide systems***

A system of this size and scope requires an established provider of complete public safety radio communication systems and radio system services capable of maintaining the system. Motorola has designed and installed numerous mission-critical systems throughout the world. Motorola has been selected as the supplier, integrator and maintenance provider for the following State-owned communications systems:

Connecticut	Illinois	Louisiana
Massachusetts	Indiana	South Carolina
New Jersey	Colorado	West Virginia
New Hampshire	North Dakota	North Carolina
Rhode Island	Alaska	Ohio
Michigan	Wyoming	Minnesota
Delaware	Virginia	Iowa
Oklahoma	Kansas	Kentucky
South Dakota	Mississippi	
Arkansas	Montana	

PLATFORM COMPATIBILITY

Leverage Existing Infrastructure and Subscribers

In today's world there is an ever increasing need for interoperable radio communications between multiple public safety agencies, including county, state, federal and adjacent communities. The Project 25 solution will provide the regional communications network with the ability to expand across the Tennessee Valley while providing a cost-effective migration of the existing City of Chattanooga/Hamilton County Regional system. Additionally, the platform will provide a platform for the eventual migration of the existing City of Knoxville/Knox County system, and the City of Oak Ridge system to Project 25 via a SmartX solution. Motorola's SmartX solution will allow the gradual migration from the existing SmartNet/SmartZone systems to a Project 25 integrated voice and data network. The SmartX solution provides an ASTRO 25 IP core master site that supports both Project 25 sites and SmartNet/SmartZone remote sites allowing a mix of Project 25 and SmartNet/SmartZone radios to operate on the network. This exciting new migration path enables agencies to benefit from ASTRO 25 capabilities sooner, and then gradually expand, upgrade or replace RF sites, consoles and subscribers to ASTRO 25. The SmartX migration will put the entire Tennessee Valley well on its way to achieving P25 interoperability with a manageable, phased approach.

The ASTRO 25 network with SmartX mixed site compatibility will provide agencies with the ability to fully leverage their existing infrastructure sites, dispatch consoles and subscriber investments. A phased approach to migration will maximize the useful life of existing equipment while providing the latest standards-based IP solutions for add-ons.



TEAMING FOR SUCCESS

The Tennessee Valley community is depending on the ability to get the right information to the right people, in the right place, at the right time. Our proposed ASTRO 25 solution will expand the City of Chattanooga's existing platform into a regional communications network providing seamless connectivity throughout the Tennessee Valley.

The SmartX migration solution will allow a graceful transition from the Tennessee Valley's existing systems to the new Project 25 system by allowing an interface so agencies can gradually migrate and still utilize existing equipment. This insures the to-date communications investments in Motorola 800 MHz equipment made by Chattanooga and all Tennessee Valley users will be maximized.



MOTOROLA

Technology That's Second Nature™

PETITION FOR INSTALLING CALMING MEASURES

We, the residents of Southfork Place in Blount County would like to have "Traffic Calming Measures" installed on our road.

Thank you

Name	Address	Phone Number
Becky Haupt	3601 Southfork Pl	712-3736
Misty Manning	3605 South Fork Pl.	680-7932
Sam Black	3608 South Fork Pl.	977-1351
Janell Hise	3620 SOUTH FORK PL.	984-4116
Chiff	3624 South Fork Pl Maryville, TN	37801 746-8711
Mike	3628 South Fork Pl Maryville, TN	37801 256-7176 681-8673
Angela	3632 South Fork Pl. Maryville, TN	37801
Michelle	3639 South Fork	
Rick Stephenson	3621 South Fork Pl	865-850-4733
Derek Harrell	3609 South Fork Pl.	740-3699
Linda Cardwell	3629 Southfork Pl.	977-7206
Kay Bolinger	3416 S. fork Pl.	984-2385
Carla Robinson	3602 South Fork Place	643-3518
Randy Rowater	3641 S. Fork Place	803-6028

RESOLUTION NO. 10-08-014

Sponsored by Commissioners Mike Walker and Mike Lewis

**RESOLUTION TO ADOPT THE STRATEGIC
ECONOMIC DEVELOPMENT PLAN**

WHEREAS, the Three-Star Program was developed to meet the needs and challenges of the evolving economic environment in urban and rural communities and to partner with communities to create opportunities for sustained economic growth; and

WHEREAS, communities seeking certification as a Three-Star community must meet certain criteria, including the adoption of a five-year strategic economic development plan; and

WHEREAS, in achieving the mission of the Three-Star Program, the Department of Economic and Community Development commits to assist communities in developing and implementing a strategic economic plan.

NOW, THEREFORE, BE IT RESOLVED, by the county legislative body of Blount County, Tennessee, meeting in regular session at the Blount County Courthouse, that:

SECTION 1. The legislative body of Blount County declares that the county has adopted a five-year strategic economic development plan to be updated annually.

SECTION 2. The strategic economic development plan includes the county's economic goals in promoting economic growth, a plan to accomplish those goals and a projected timeline in achieving those goals.

SECTION 3. The strategic economic development plan addresses the county's goals pertaining to existing industry, manufacturing recruitment, workforce development, retail/service, tourism, agriculture, infrastructure assessment and educational assessment.

Adopted this 19th day of August, 2010.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: __

Vetoed: __

County Mayor

Date



Blount County, Tennessee

*Five Year Asset Based
Strategic Economic Development Plan
2010 - 2014*

Blount County, Tennessee

2010 Three-Star Program

Located in the foothills of the Great Smoky Mountains, Blount County covers an area of 584 square miles. The county has an elevation of 989 feet above sea level and it's located near the geographic center of the eastern United States and is within 500 miles of approximately 50 percent of the U.S. population. Our area has been one of the fastest growing counties in Tennessee, increasing its population by 22 percent from 1970 to 1980 and an additional 10.5 percent from 1980-1990 and 17.7 percent from 1990-2001. The county has approximately 125,000 residents and it has been projected that by 2014 that will grow to over 130,000. McGhee Tyson Airport is conveniently located in Blount County and Knoxville is only minutes away. A web of highways and interstates connecting commerce are also quickly accessible.

Vibrant, dynamic, friendly, supportive and good business sense is just a few of the comments our investing companies have voiced following their move to Blount County. Years ago, many companies came to Blount County because of low taxes, inexpensive labor and land. Today, while they still enjoy financial benefits, companies choose relocating to Blount County and the cities of Alcoa, Maryville, Rockford, Louisville, Friendsville and Townsend because of quality issues:

- quality of labor
- quality of the community
- quality of life in a county that encompasses part of the Great Smoky Mountains National Park, yet lies only 15 minutes from metropolitan Knoxville, the University of Tennessee and just 40 minutes from Oak Ridge National Laboratories and a hot bed of research and development.

Blount County has been a member of the Governor's Three-Star program since 2001.

Blount County Five Year Strategic Plan

Program Name
Five Year Strategic Plan

Planning and Infrastructure Development

	2010	2011	2012	2013	2014	Responsibility
GOALS:						
Continue to implement a County Capital Improvement Budget	X	X	X	X	X	<i>County Commission Planning Commission</i>
Expand broadband access in Blount County	X	X	X			<i>Connected TN Rep City and County Governments EDB</i>
Promote and organize green infrastructure	X	X				<i>Planning departments</i>
Develop interchange for Middle settlements Rd and Hunters Crossing	X					<i>TDOT City of Alcoa</i>

Strategic Priority - Planning and Infrastructure Development:

Continue to incorporate Blount County Policies Plan into a Blount County Comprehensive Plan

1. Who are the stakeholders for this strategic priority? How will they benefit?

("Stakeholders" refers to all groups that might be affected by your community's actions and success)

Stakeholders	Benefit to Stakeholders
1. Planning Commission	Better sense of direction for the future More healthy and livable community
2.	
3.	
4.	
5.	

2. Action Planning with SMART goals. (SMART goals are Specific; Measurable; Achievable; Realistic; Time-bound)

#	WHAT (Goal)	HOW (Action: Strategy & Process)	WHO (Owner)	WHEN (Milestones)	MEASURES (How will you now?)	RESOURCES (What will you need?)	✓ (Do you have?)
1	Completion of supplemental information and analysis for planning	Planning staff prepare population analysis and projections, housing analysis, economy analysis and land use analysis	Plan. Comm.	Adoption August 2010	Public hearings	Planning Dept. Time	Yes
2	Integration of policies with more traditional land use and transportation plan components	One-year planning process and implementation plan	Plan. Comm.	Adoption September 2011	Public hearings	Planning Dept and Planning Comm. Time	Yes

Program Name Five Year Strategic Plan	Community Development					
	2010	2011	2012	2013	2014	Responsibility
GOALS: Provide opportunities for city and county leaders to meet on a regular basis Provide opportunities to develop cooperative community relationships Continue to grow and promote Last Friday Art Walk Finish pedestrian bridge over Alcoa Highway	X X X X	X X X X	X X X X	X X X X	X X X X	<i>Blount Partnership County & City Governments</i> <i>United Way Leadership Blount Blount Partnership</i> <i>Downtown Maryville Assoc. Fine Arts Blount</i> <i>City of Alcoa</i>

Strategic Priority – Community Development:

Complete pedestrian bridge over Alcoa Highway

1. Who are the stakeholders for this strategic priority? How will they benefit?

("Stakeholders" refers to all groups that might be affected by your community's actions and success)

Stakeholders	Benefit to Stakeholders
1. Parks & Recreation Commission	New area for greenbelt "Green" transportation method Community Asset
2. City of Alcoa	Community Asset
3.	
4.	
5.	

Program Name Five Year Strategic Plan	Leadership Development					
	2010	2011	2012	2013	2014	Responsibility
GOALS:						
Grow the inventory of leaders who are willing to participate in leadership roles (Board List)	X					<i>United Way Center for Strong Communities</i>
Continue training opportunities for elected and appointed officials	X	X	X	X	X	<i>EDB United Way School Systems Govt. Staff</i>
Promote existing programs and develop new opportunities for youth leadership and training	X	X	X	X	X	<i>School Systems Non-Profits Youth Leadership Blount United Way</i>
Work with new Executive Director of Leadership Blount to enhance program	X					<i>Blount Partnership County and Cities</i>

Strategic Priority - Leadership Development:

Continue to grow an inventory (Board Bank) of trained leaders who are willing to participate in leadership roles

1. Who are the stakeholders for this strategic priority? How will they benefit?

("Stakeholders" refers to all groups that might be affected by your community's actions and success)

Stakeholders	Benefit to Stakeholders
1. United Way & Leadership Blount	Provides needed community resource
2. City and County appointed & elected officials	Better understanding of issues affecting the community
3.	
4.	
5.	

2. Action Planning with SMART goals. (SMART goals are Specific; Measurable; Achievable; Realistic; Time-bound)

#	WHAT (Goal)	HOW (Action: Strategy & Process)	WHO (Owner)	WHEN (Milestones)	MEASURES (How will you know?)	RESOURCES (What will you need?)	✓ (Do you have?)
1	Community Resource	Combining information to create a focused inventory	United Way, Blount Partnership	Training – April & May 2010. Completion by 12/10	List will be larger	Up-to-date information. Time to gather information.	Yes
2	Better understanding of issues	Attend periodic training	Appointed & elected officials	Training started and/or completed	Certified	Commitment Listing of classes available	

Program Name Five Year Strategic Plan	Economic Development					
	2010	2011	2012	2013	2014	Responsibility
GOALS:						
Complete Phase I of Pellissippi Place R&D park that includes groundbreaking and infrastructure	X					<i>Industrial Development Board Governments</i>
Promote and participate in the Innovation Valley regional economic development initiative	X	X	X	X		<i>IDB</i>
Focus economic development efforts on recruiting high-tech, innovative companies	X	X	X	X	X	<i>IDB City and County Governments</i>
Begin Hwy. 33 road improvements, including new signal and closure of Jackson Hills Road	X	X				<i>TDOT City of Alcoa</i>

Strategic Priority - Economic Development:

Complete Phase I of Pellissippi Place Research & Development Park that includes groundbreaking and infrastructure

1. Who are the stakeholders for this strategic priority? How will they benefit?

("Stakeholders" refers to all groups that might be affected by your community's actions and success)

Stakeholders	Benefit to Stakeholders
1. Industrial Development Board and participating governments	Sales and property tax revenues High quality jobs
2.	
3.	
4.	
5.	

2. **Action Planning with SMART goals.** (SMART goals are Specific; Measurable; Achievable; Realistic; Time-bound)

#	WHAT (Goal)	HOW (Action: Strategy & Process)	WHO (Owner)	WHEN (Milestones)	MEASURES (How will you know?)	RESOURCES (What will you need?)	✓ (Do you have?)
1	Hold ceremony for opening of Phase I	Construction	IDB & entities	August 2010	Completion	Monies in place	Yes

Program Name
Five Year Strategic Plan

Education/Workforce Development

	2010	2011	2012	2013	2014	Responsibility
GOALS:						
Completion of new Pellissippi State campus in Blount County	X					<i>TBR PSTCC Community donors</i>
Address needs of workforce development through Innovation Valley	X	X	X	X		<i>Blount Partnership Innovation Valley Partners</i>
Construction of new Prospect Elementary School	X	X	X			<i>Blount County Government Blount County Schools</i>

Strategic Priority – Education/Workforce Development:

Construction of new Prospect Elementary School

1. Who are the stakeholders for this strategic priority? How will they benefit?

("Stakeholders" refers to all groups that might be affected by your community's actions and success)

Stakeholders	Benefit to Stakeholders
1. Blount County Schools	New facility Larger academic capacity Alleviate overcrowding
2.	
3.	
4.	
5.	

RESOLUTION NO. 10-08-015

Sponsored by Commissioners Mike Walker and Mike Lewis

**RESOLUTION TO AFFIRM COMPLIANCE WITH
FEDERAL TITLE VI REGULATIONS**

WHEREAS, both Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987 provide that no person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance; and

WHEREAS, the Tennessee Attorney General opined in Opinion No. 92.47 that state and local governments are required to comply with Title VI of the Civil Rights Act in administering federally funded programs; and

WHEREAS, the Community Development Division of the Tennessee Department of Economic and Community Development administers the Three-Star Program and awards financial incentives for communities designated as Three-Star communities; and

WHEREAS, by virtue of the Tennessee Department of Economic and Community Development receiving federal financial assistance all communities designated as Three-Star communities must confirm that the community is in compliance with the regulations of Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987.

NOW, THEREFORE, BE IT RESOLVED, by the county legislative body of Blount County, Tennessee, meeting in regular session at the Blount County Courthouse, that:

SECTION 1. The legislative body of Blount County declares that the county is in compliance with the federal Title VI regulations.

SECTION 2. The Department of Economic and Community Development may from time to time monitor the county's compliance with federal Title VI regulations.

SECTION 3. This Resolution shall take effect upon adoption, the public welfare requiring it.

Adopted this 19th day of August, 2010.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: __

Vetoed: __

County Mayor

Date

Memo

To: Blount County Planning Commission
From: Building Commissioner
CC: Other commission members and staff
Date: April 12, 2010
Re: Design requirements in the RAC

Background:

Last month we discussed ways to match up the design requirements in Section 7.15-C-3 and Section 9.10-J. We discussed the changes reflected below and you will find that this will establish one set of regulations for commercial design requirements for both the commercial zone and the RAC zone. Before we had one set of requirements in our design standards and a different requirement in the RAC zone. By making the changes below, the requirements found in the RAC zone simply direct you back to the commercial design requirements.

Proposed changes

Section 7.15-C-3. Exterior walls visible from public roads shall be constructed of at least 50 percent nonmetal building materials. Exterior glass shall compose a minimum of five (5) percent of the façade of the building, unless the building is an open-air structure such as a produce market.

Section 9.10-J. Additional design requirements: All site plans shall be accompanied by a storm water drainage plan prepared by a qualified engineer, and shall address the need for detention, if necessary, and pollution control. All uses permitted under this Section shall provide a

vegetative landscape buffer, to be determined by the Planning Commission during site plan review, between the use/buildings on the commercial site, and any parcel or lot zoned other than RAC or C. Such buffering shall apply to rear lot lines of the commercial site, and also to side lot lines behind the minimum front building setback lines, except where there is an immediately adjacent residential use that would require screening within the minimum front building setback line. *All uses permitted under this Section shall provide a front building elevation that meets the design requirements in Section 7.15-C-3.* All external lighting shall be directed away from or screened from land zoned other than RAC or C, and away from any public right-of-way. Where noise is determined to be a probable off-site impact of a proposed use, a noise mitigation barrier of solid structure or earth berm, in addition to vegetative buffer, shall be designed as part of the site plan and constructed.

As it reads currently

7.15-C-3. Exterior walls visible from public roads may not be comprised of aluminum or flat-faced concrete block. Exterior glass shall compose a minimum of five (5) percent of the façade of the building, unless the building is an open-air structure such as a produce market.

9.10-J. Additional design requirements: All site plans shall be accompanied by a storm water drainage plan prepared by a qualified engineer, and shall address the need for detention, if necessary, and pollution control. All uses permitted under this Section shall provide a vegetative landscape buffer, to be determined by the Planning Commission during site plan review, between the use/buildings on the commercial site, and any parcel or lot zoned other than RAC or C. Such buffering shall apply to rear lot lines of the commercial site, and also to side lot lines behind the minimum front building setback lines, except where there is an immediately adjacent residential use that would require screening within the minimum front building setback line. *All uses permitted under this Section shall have a front building elevation, along all fronting roads, constructed of at least 50 percent nonmetal building materials.* All external lighting shall be directed

away from or screened from land zoned other than RAC or C, and away from any public right-of-way. Where noise is determined to be a probable off-site impact of a proposed use, a noise mitigation barrier of solid structure or earth berm, in addition to vegetative buffer, shall be designed as part of the site plan and constructed.

**BLOUNT COUNTY PLANNING COMMISSION
REGULAR SESSION
THURSDAY, JULY 22, 2010
5:30 P.M.**

The Blount County Planning Commission met in regular session on Thursday, July 22, 2010, at the Courthouse. Staff was represented by: John Lamb, Director of Planning; Doug Hancock, Senior Planner, Roger Fields, Building Commissioner; Ron Sharp, Subdivision Inspector, Justin Teague, Storm Water Program Coordinator, and Administrative Assistant, Marlene Hodge.

Commissioners Present: Ed Stucky – Chairman, Ernest Blankenship – Vice Chairman, Charles Cameron, Gary Farmer, Brad Harrison, Scott Helton, Tom Hodge, Gerald Kirby, Peggy Lambert, Bruce McClellan, and Clifford Walker. Commissioners Absent: None

The minutes of the June 24, 2010, regular monthly meeting, and July 8, 2010, special called meeting were approved; prior to the meeting these were mailed to members for review.

PUBLIC HEARINGS: None

SITE PLANS:

2805 E. Lamar Alexander Parkway

Background: Site plan is for the Smoky Mountain Garden Center and Produce. The property is identified on Tax Map 058D, Group B, Parcel 27.00, and is located in the Commercial zone. The business had been opened prior to receiving a permit and a stop work notice was issued. An unacceptable hand drawn site plan was submitted. An appropriate site plan was presented but while reviewing property line discrepancies were found. A revised copy of the site plan showing property lines within 300 feet of the site was given to Planning Commissioners prior to the meeting.

The site plan indicates that all building setback requirements will be met if the lot lines have been removed. Buffering will not be required for this site since it is located between commercially zoned and used properties. The large gravel parking lot is off of the highway right-of-way. The entire lot is previous so drainage plans and calculations are not required for this site.

There are three (3) small structures, two (2) storage containers, and six (6) green houses located on the property. The three (3) small structures and storage containers are scheduled to be removed from the property next week. The six (6) green houses are in compliance with the zoning regulations.

Commissioner Farmer stated that the cabin is in compliance with regulations and does not need to be removed if so desired.

Steve Cable confirmed that the cabin and four (4) structures will be removed from the property. The five (5) portable buildings are to be removed by the owners. Another portable building will be used for an office in approximately the same location as the cabin.

Commissioner Farmer made a motion to approve the site plan subject to inspection by Roger Fields after the removal of the five buildings and if not in compliance an issue of stop work will be given; seconded by Commission Helton. Motion received unanimous approval.

HEARINGS:

PRELIMINARY PLATS – MAJOR SUBDIVISIONS:

Patricia Pickens Subdivision off of Clover Hill Road: 5 lots; 1 with road frontage and 4 served exclusively by a 25 foot common driveway easement.

Background: The preliminary plat for the Patricia Pickens subdivision is a proposed five (5) lot subdivision containing 9 acres. A 25' common driveway easement is planned to serve the proposed lots off of Clover Hill Road. Lots 2, 3, 4 and 5 are to be served exclusively off the common driveway easement. There are three (3) existing homes on the undivided parcel that are served by a driveway that requires additional improvements.

The proposed location of the common driveway easement shall require sight distance improvements to be made prior to final plat. Two (2) tiles shall be installed along the driveway and ditch improvement shall be made. The driveway shall be yard-boxed and made smooth, additional stone may be required. The entire drive shall be a minimum 10 feet wide with ditches. The common driveway must be fully installed to each lot to be reconstructed within a 25' easement. A T-turnaround shall be required on Lot 5 to be contained within the easement. All of the physical common driveway construction and installation of utilities shall be the responsibility of the owner and be completed prior to releasing the final plat.

The driveway entrance shall be paved as described in Section 6.02.5 (a)(1) of the Subdivision Regulations in order to improve turning movements in and out of the site, reduce wheel spin, keep gravel from migrating onto the county road, and to minimize damage to the existing paved edge of the county road. The paved surface shall be built to county road standards and the paving shall extend from the edge of the existing pavement along the county road to the edge of the right-of-way at a minimum. A 40' turning radius shall be constructed at the entrance on both sides of the paved entrance. The entrance shall be 16 feet wide of paved surface (wide enough for two vehicles) and taper down to the ten foot gravel driveway.

According to the plat all these lots are to be served by public water and individual septic systems.

The parcel is in the R-1 zone and none of the parcel is located in a floodplain. The proposed subdivision of the Patricia Pickens Property was reviewed inclusive of subdivision regulations for small lots served by a common driveway easement with public water, underground electric and individual septic systems. As required, the preliminary plat was supplied with topographic information, and preliminary soil information. The comments from the environmental health department, engineering department and storm water department are included in the staff analysis.

Outstanding items to be completed:

1. Copy of a Maintenance Agreement or Property Owner's Association documentation to be supplied to staff for review prior to final plat submission.
2. A preconstruction meeting is required prior to any on-site work. All instructions in the staff analysis for the re-construction of the common driveway, sight distance improvements and paving of entrance, and construction of all utility improvements.

Kevin Pitts, Blount Surveys, requested a variance on behalf of the owner for the paving of the entrance of the common driveway. (Ms. Pickens would like to subdivide her property for her three children and grandson.)

Inquiries were made as to the topology of the driveway. There is a 2%-3% down slope as one is pulling out of the driveway.

Recommendation was made to amend the Subdivision Regulations regarding the paving of the entrance of the common driveway since there have been variance requests made and granted in the past.

Commissioner Farmer disagreed about changing the subdivision regulations regarding the paving of the common driveway entrance. Depending on the grade of the driveway gravel and other debris could end up on the main road. If in the staff's opinion no hazards exist then asking for a variance request should not present a problem.

Commissioner Helton had concerns and agreed that if variances are allowed then the regulation needs to be removed. If one is to stand by the regulations then they need to be observed due to the situations that originated in the past.

Commissioner Harrison made a motion to grant preliminary plat approval subject to staff recommendations including the variance request for not paving the entrance along with a note on the plat for maintaining site distance; seconded by Commissioner McClellan. Roll call vote was taken:

Commissioner Blankenship - No
Commissioner Cameron - No
Commissioner Farmer - No
Commissioner Harrison - Yes
Commissioner Helton - No
Commissioner Hodge - No

Commissioner Kirby - No
Commissioner Lambert - Yes
Commissioner McClellan - Yes
Commissioner Stucky - Yes
Commissioner Walker - Yes

Motion to grant preliminary plat approval subject to staff recommendations including the variance request failed with 6 Yes and 5 No.

Commissioner Kirby made a motion to approve preliminary plat subject to staff recommendations and that the common driveway entrance meets the standard requirements for a paved entrance; seconded by Commissioner Farmer. Motion received unanimous approval.

Recommendation was made that staff talk with the Highway Superintendent regarding the paving of the entrance to the common driveway.

MISCELLANEOUS:

Request of Tammy and James Smith to allow division on a common driveway off of Turkey Pen Road:

Cecil Willis, et al, owns a tract off of Turkey Pen Road (Parcel 10.12). The tax map shows the property as being 14.6 acres. However, preliminary field survey measurement shows the property to have only about 9.8 acres.

Tammy and James Smith entered into contract for deed for approximately 6 acres (5.58 acres based on preliminary field survey information) off of the property of Willis along a pre-

existing 30 foot wide easement of access. Willis would own about 8.6 acres after transfer of property to Smith if the tax maps are referenced, but less than five acres based on preliminary field survey information.

Staff found that Willis recently transferred property less than five acres in 2008 without required plat (1.4 acres, Willis, et al, to Hawn - Parcel 10.15 by quit claim deed registered in book 2183 page 1342). This was a violation of both State statutes and our subdivision regulations. Staff thus advised the Smiths that staff would not sign any documents related to the division of the land by Willis until the violation was rectified. The violation could be rectified if Willis would recombine the 1.4 acres into the original tract, or submit a plat for the 1.4 acres and gain approval of the lot. The Smiths reported that Willis could not arrange the recombination, and that the platting of the lot was outside their control.

The Smith's requested approval of a plat for the proposed approximately 6 acre tract without any other requirements. Staff also noted that approval of the Smith request would imply a remainder less than five (5) acres and an un-platted lot that is usually required to be shown and approved on a plat.

Staff noted the violation of our subdivision regulations and requests guidance on further legal action the Planning Commission may wish to take in regards to the Willis 1.4 acre division.

Transcription of a hand written letter from Tammy Smith dated July 7, 2010, along with a copy of a map was mailed to members for review prior to the meeting.

The issue was discussed and concerns were raised regarding the situation without penalizing the Smiths for wanting to follow subdivision regulations. (There has not been a transaction on the division of land but only a contract of payment. It is Mr. Willis' responsibility to bring forward a plat since it is his property.)

Commissioner Helton suggested that legal advice might need to be obtained for the violation of the subdivision regulations and explained to Mr. and Mrs. Smith that the Planning Commission would not be pursuing the issue for their benefit but for the violation of the subdivision regulations.

Commissioner Helton made a motion to defer the approval of the request and directed staff to contact Mr. Willis to see if any resolution might be possible. If a resolution is not possible then ask Mr. Willis to attend the next regular Planning Commission meeting at which time staff may be requested to seek a legal opinion; seconded by Commissioner Lambert. Motion received unanimous approval.

LONG RANGE PLANNING:

Discussion and possible action to recommend amendment to the zoning regulations concerning design requirements in RAC zones:

This item was deferred from the April regular meeting. A separate memo from Roger Fields was mailed to members for review prior to the meeting.

In March 2010, ways to match up the design requirements in Section 7.15-C-3 and Section 9.10-J were discussed. The changes will establish one set of regulations for commercial design requirements for both the Commercial Zone and the Rural Arterial Commercial (RAC) Zone. Before there was only one set of requirements in our design standards and a different requirement in the RAC Zone. By making the changes, the requirements found in the RAC Zone simply directs one back to the commercial design requirements.

Proposed changes:

Section 7.15-C-3. Exterior walls visible from public roads shall be constructed of at least 50 percent nonmetal building materials. Exterior glass shall compose a minimum of five (5) percent of the façade of the building, unless the building is an open-air structure such as a produce market.

Section 9.10-J. Additional design requirements: All site plans shall be accompanied by a storm water drainage plan prepared by a qualified engineer, and shall address the need for detention, if necessary, and pollution control. All uses permitted under this Section shall provide a vegetative landscape buffer, to be determined by the Planning Commission during site plan review, between the use/buildings on the commercial site, and any parcel or lot zoned other than RAC or C. Such buffering shall apply to rear lot lines of the commercial site, and also to side lot lines behind the minimum front building setback lines, except where there is an immediately adjacent residential use that would require screening within the minimum front building setback line. *All uses permitted under this Section shall provide a front building elevation that meets the design requirements in Section 7.15-C-3.* All external lighting shall be directed away from or screened from land zoned other than RAC or C, and away from any public right-of-way. Where noise is determined to be a probable off-site impact of a proposed use, a noise mitigation barrier of solid structure or earth berm, in addition to vegetative buffer, shall be designed as part of the site plan and constructed.

Commissioner Helton made a motion to approve and forward the recommendation to the County Commission for consideration and amendment of the zoning regulations and to set a public hearing; seconded by Commissioner Cameron. Motion received unanimous approval.

Proposed campground regulations – referral from the County Commission:

Commissioner Helton made a motion to defer item until September; seconded by Commissioner Blankenship. Motion received unanimous approval.

Discussion on Ridge-top and Hillside Development Regulations:

At the April regular meeting, the Attorney for the County Mayor presented his findings on the draft ridge-top and hillside development regulations. At the May regular meeting, the Planning Commission requested the background information used by the Attorney for the County Mayor, Rob Goddard, and provided by staff. A copy of the report from Mr. Rob Goddard along with copy of the draft regulations and the background information were mailed to members for review with the June memo.

Mr. Goddard raised two general areas of concern, and three specific areas that need to be addressed.

The first general area of concern is with equal protection, specifically if there is a valid or rational basis for treating some properties within the Rural District 2 (R-2) zone differently from others. The valid or rational basis would need to be based on consideration of protecting the public health, safety and welfare. Background information was provided at the last meeting to show how considerations of public health, safety and welfare were addressed in deliberations to date. The treatment of properties differently in a zone based on specific criteria is common in other zones in the county regulations. If this is an overriding concern, consideration may be given to creation of a separate zone to cover areas for hillside and ridge-top development using similar criteria of visibility from scenic landscape resources of significance.

Second general area of concern is with taking of property or inverse condemnation. This would only be a concern if all internal mitigation processes and appeals had been exhausted.

The proposed regulations have internal mitigation mechanisms when practical design difficulties are present, and hardship based on character of the property would be a valid consideration for Board of Zoning Appeals variance procedures.

In both the first and second general areas of concern, Mr. Goddard stated that any legal challenge would be based on the facts of a specific case, and that he could not predict the legal outcome. This is common to almost all legal challenges of regulations and is potentially applicable to any regulation adopted by the County, not just the proposed regulations.

The third area of concern was a possible conflict between a plat approved using hillside and ridge-top standards through the Subdivision Regulations and a permit for a specific house on an approved lot, and suggests a possibility that a lot created using the regulations would need a permit for building a house that could be denied based on the same standards. The purpose of setting similar standards in the platting process was to forestall the creation of lots that would not meet the standards which would be applied at the point of house construction permitting.

Commissioner Farmer has concerns regarding conflicts between Zoning Regulations and Subdivision Regulations and recommended that staff talk with the County Attorney and get more information regarding the third specific item.

Commission Blankenship made a motion to defer item to the August agenda; seconded by Commissioner Cameron. Votes were taken and a roll call vote was requested. Commissioner Farmer asked for an amendment to the motion requesting staff to review Item 3 of the specific areas of concerns with the County Attorney. Both Commissioner Blankenship and Cameron agreed to the amendment. Motion received unanimous approval.

Discussion of regulations for junk on private property:

The Planning Commission asked Roger Fields to provide information on the present regulations concerning junk on private property. Information was mailed to members for review prior to the meeting.

Discussed the history of the resolution and the lack of assistance or funding to help with cleanup. It was noted that Mr. Fields does not have a budget allotted for contracting help for the cleanup nor any assistance from the Highway and Sheriff's Department due to liability and regulations for private property.

It was recommended that Mr. Fields convey to the Planning Commission why the current resolution is not working and to revisit the issue and present some recommendations on the item whether it be to do away with the current resolution and/or present something new.

Recommendations were made to contact Keep Blount Beautiful and check on any grants that might be available along with reviewing the City of Maryville and Alcoa regulations for junk on private property.

Item will be added to the September agenda.

STAFF REPORTS:

Public Hearings have been set for August 26, regular meeting for the Supplemental Information and Analysis for Blount County Plans and amendments to the Subdivision

Regulations for consistency in Major Road Plan and typographical corrections and definition under Regulatory Flood Plan.

Planning Commissioner Lamar Dunn submitted his resignation from the Planning Commission.

ADJOURNMENT.

There being no further business to conduct, the Chairman declared the meeting adjourned.

Secretary

REVENUE/TAX ANTICIPATION NOTE---INTERFUND LOAN

RESOLUTION OF THE GOVERNING BODY OF BLOUNT COUNTY, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF
INTEREST-BEARING DEBT HIGHWAY FUND REVENUE/TAX ANTICIPATION INTERFUND
LOAN NOTES NOT TO EXCEED **\$2,000,000**

WHEREAS, the Governing Body of Blount County, Tennessee, (the “Local Government”) has determined that it is necessary and desirable to borrow a limited amount of funds to meet appropriations made for the Highway Department Fund - 131 (the “Fund”) for the current fiscal year, being July 1, 2010, through June 30, 2011, inclusive, (the “Fiscal Year”), in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year; and

WHEREAS, under the provisions of Part I, IV, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the “Act”), local governments in Tennessee are authorized to issue and sell revenue/tax anticipation notes in amounts not exceeding sixty percent (60%) of the Fund appropriation for the Fiscal Year upon the approval of the State Director of Local Finance; and

WHEREAS, under the provisions of Section 9-21-408 of Title 9 Chapter 21, *Tennessee Code Annotated*, Local Governments in Tennessee are authorized to make interfund loans in accordance with procedures for issuance of notes in part VIII of Title 9 Chapter 21 *Tennessee Code Annotated*.

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance and sale of revenue/tax anticipation notes;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of Blount County, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to meet certain appropriations for the Fiscal Year, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this Resolution to issue interest-bearing revenue/tax anticipation notes in a principal amount not to exceed Two Million Dollars (\$2,000,000) (the “Notes”) from the General County fund (101) to the Highway Department (131) upon approval of the State Director of Local Finance pursuant to the terms, provisions,

and conditions permitted by law. The Notes shall be designated “Highway Department Fund Revenue/Tax Anticipation Interfund Loan Notes, Series 2010”; shall be dated as of the date of issuance and shall bear interest at a rate or rates not to exceed Two per cent (2.00%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the sum of the principal amount of the Notes, together with the principal amount or amounts of any prior revenue/tax anticipation notes issued during the Fiscal Year, does not exceed sixty percent (60%) of the Fund appropriation for the Fiscal Year.

Section 3. That, the Notes may be renewed from time to time and money may be borrowed from time to time for the payment of any indebtedness evidenced by the Notes; provided, that the Notes and any renewal notes shall mature and be paid in full without renewal on or before the end of the Fiscal Year. If the Local Government overestimates the amount of taxes and revenue collected for the Fiscal Year and it becomes impossible to retire the Notes and all renewal notes prior to the close of the Fiscal Year, then the Local Government shall apply to the State Director of Local Finance within ten (10) days prior to the close of the Fiscal year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That, the Notes shall be secured solely by the receipt of taxes and revenues by the Fund during the Fiscal Year.

Section 5. That, the Notes shall be subject to redemption at the option of the Local government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption without a premium.

Section 6. That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the Mayor of the Local Government and the manual signature of the Finance Director, with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the Trustee of the Local Government. Proceeds of the Notes shall be deposited with the Trustee of the Local Government and shall be paid out for the purpose of meeting Fund appropriations made for the Fiscal Year in anticipation of the collection of revenues and taxes pursuant to this Resolution and as required by law.

Section 7. That, the Notes shall be in substantially the form authorized by the State Director of Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8. That the Notes shall be issued only after the receipt of the approval of the State Director of Local Finance for the sale of the Notes.

Section 9. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 20__.

(Local Government Chief Executive)

ATTESTED:

(City Recorder/ County Clerk)

Blount County of the State of Tennessee

\$2,000.000

**Highway Department (131) Fund Revenue/Tax Anticipation Interfund Loan Notes,
Series 2010**

<u>DATED</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
August 10, 2010	2%	June 30, 2011

The Highway Department of Blount County (the "Local Government") of the State of Tennessee hereby acknowledges itself indebted, and for value received hereby promises to pay bearer the sum of 2 million Dollars (\$2,000,000) (the "Principal Sum") on or before the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay from the date hereon interest on the Principal Sum on \$2,000,000, at the Interest Rate per annum (specified above), by check or draft mailed to the bearer, at the address below. Both principal of and interest on this note are payable at the office of the Blount County Trustee or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is secured solely by the receipt of taxes and revenues to be received by the Highway Department Fund - 131 (the "Fund") during the current fiscal year of the Local Government, being July 1, 2010 through June 30, 2011, inclusive (the "Fiscal Year").

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption without a premium.

This note is issued under the authority of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated, and a resolution duly adopted by the Local Government on August 19, 2010, to provide funds in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year in an amount not exceeding sixty percent (60%) of the total Fund appropriations for the Fiscal Year. The Maturity Date specified above shall not exceed the end of the Fiscal Year.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or

taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the County Mayor, and countersigned and attested by the manual signature of the Finance Director, with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the _____ day of _____, 20____.

Duly passed and approved this _____ day of _____, 20____.

(Local Government Chief Executive)

ATTESTED:

(City Recorder/County Clerk)



REVENUE/TAX ANTICIPATION NOTE---INTERFUND LOAN

RESOLUTION OF THE GOVERNING BODY OF BLOUNT COUNTY, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF
INTEREST-BEARING DEBT GENERAL PURPOSE SCHOOLS FUND REVENUE/TAX
ANTICIPATION INTERFUND LOAN NOTES NOT TO EXCEED **\$3,000,000**

WHEREAS, the Governing Body of Blount County, Tennessee, (the “Local Government”) has determined that it is necessary and desirable to borrow a limited amount of funds to meet appropriations made for the General Purpose School Fund - 141 (the “Fund”) for the current fiscal year, being July 1, 2010, through June 30, 2011, inclusive, (the “Fiscal Year”), in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year; and

WHEREAS, under the provisions of Part I, IV, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the “Act”), local governments in Tennessee are authorized to issue and sell revenue/tax anticipation notes in amounts not exceeding sixty percent (60%) of the Fund appropriation for the Fiscal Year upon the approval of the State Director of Local Finance; and

WHEREAS, under the provisions of Section 9-21-408 of Title 9 Chapter 21, *Tennessee Code Annotated*, Local Governments in Tennessee are authorized to make interfund loans in accordance with procedures for issuance of notes in part VIII of Title 9 Chapter 21 *Tennessee Code Annotated*.

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance and sale of revenue/tax anticipation notes;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of Blount County, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to meet certain appropriations for the Fiscal Year, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this Resolution to issue interest-bearing revenue/tax anticipation notes in a principal amount not to exceed Three Million Dollars (\$3,000,000) (the “Notes”) from the Debt Service fund (151) to the General Purpose Schools fund (141) upon approval of the State Director of Local Finance pursuant to the terms,

provisions, and conditions permitted by law. The Notes shall be designated “GP School (141) Fund Revenue/Tax Anticipation Interfund Loan Notes, Series 2010”; shall be dated as of the date of issuance and shall bear interest at a rate or rates not to exceed Two per cent (2.00%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the sum of the principal amount of the Notes, together with the principal amount or amounts of any prior revenue/tax anticipation notes issued during the Fiscal Year, does not exceed sixty percent (60%) of the Fund appropriation for the Fiscal Year.

Section 3. That, the Notes may be renewed from time to time and money may be borrowed from time to time for the payment of any indebtedness evidenced by the Notes; provided, that the Notes and any renewal notes shall mature and be paid in full without renewal on or before the end of the Fiscal Year. If the Local Government overestimates the amount of taxes and revenue collected for the Fiscal Year and it becomes impossible to retire the Notes and all renewal notes prior to the close of the Fiscal Year, then the Local Government shall apply to the State Director of Local Finance within ten (10) days prior to the close of the Fiscal year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That, the Notes shall be secured solely by the receipt of taxes and revenues by the Fund during the Fiscal Year.

Section 5. That, the Notes shall be subject to redemption at the option of the Local government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption without a premium.

Section 6. That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the Mayor of the Local Government and the manual signature of the Finance Director, with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the Trustee of the Local Government. Proceeds of the Notes shall be deposited with the Trustee of the Local Government and shall be paid out for the purpose of meeting Fund appropriations made for the Fiscal Year in anticipation of the collection of revenues and taxes pursuant to this Resolution and as required by law.

Section 7. That, the Notes shall be in substantially the form authorized by the State Director of Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8. That the Notes shall be issued only after the receipt of the approval of the State Director of Local Finance for the sale of the Notes.

Section 9. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 20__.

(Local Government Chief Executive)

ATTESTED:

(City Recorder/ County Clerk)

Blount County of the State of Tennessee

\$3,000.000

GP School (141) Fund Revenue/Tax Anticipation Interfund Loan Notes, Series 2010

<u>DATED</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
August 10, 2010	2%	June 30, 2011

The Board of Education of Blount County (the "Local Government") of the State of Tennessee hereby acknowledges itself indebted, and for value received hereby promises to pay bearer the sum of 3 million Dollars (\$3,000,000) (the "Principal Sum") on or before the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay from the date hereon interest on the Principal Sum on \$3,000,000, at the Interest Rate per annum (specified above), by check or draft mailed to the bearer, at the address below. Both principal of and interest on this note are payable at the office of the Blount County Trustee or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is secured solely by the receipt of taxes and revenues to be received by the General Purpose Schools Fund - 141 (the "Fund") during the current fiscal year of the Local Government, being July 1, 2010 through June 30, 2011, inclusive (the "Fiscal Year").

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption without a premium.

This note is issued under the authority of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated, and a resolution duly adopted by the Local Government on August 19, 2010, to provide funds in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year in an amount not exceeding sixty percent (60%) of the total Fund appropriations for the Fiscal Year. The Maturity Date specified above shall not exceed the end of the Fiscal Year.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or

taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the County Mayor, and countersigned and attested by the manual signature of the Finance Director, with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the _____ day of _____, 20____.

Duly passed and approved this _____ day of _____, 20____.

(Local Government Chief Executive)

ATTESTED:

(City Recorder/County Clerk)

