

AGENDA
BOARD OF COMMISSIONERS AGENDA COMMITTEE MEETING
TUESDAY, FEBRUARY 7, 2012, 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. January 10, 2012 meeting.
- D. SETTING OF AGENDA.**
- E. ITEMS FOR CONSENT AGENDA.**
 - 1. Resolutions for special recognitions.
 - a. Proclamation honoring Shop with a Cop Program. (Holden Lail)
 - 2. Appointments:
 - a. Board of Zoning Appeals. (Gary Farmer)
 - b. Blount County Children's Home – Rick Carver . (County Mayor)
 - c. Sheriff's Merit Board – Gary Hall, Cecil "Buster" Saffles. (Scott Helton)
- F. UNFINISHED BUSINESS:**
- G. NEW BUSINESS:**
 - 1. Resolution to ask Legislative Delegation to make the sale of synthetic drugs a felony and request support by surrounding counties. (Scott Helton)
 - 2. Budget Transfers.
 - 3. Budget Increases.
 - 4. Other Budget Items.
 - 5. Request for Office Space in the Blount County Courthouse for the State Division of County Audit. (Rick Carver)
 - 6. Setting of Public Hearing regarding amendments to the zoning regulations regarding ridge-top and hillside development standards. (Gordon Wright)
- H. PUBLIC INPUT ON ITEMS NOT ON AGENDA.**
- I. ADJOURNMENT.**



**STATE OF TENNESSEE
COUNTY OF BLOUNT**

BE IT REMEMBERED that a meeting of the Agenda Committee of the Blount County Board of Commissioners was held on Tuesday, January 10, 2012 at 6:30 pm at the courthouse in Maryville, Tennessee.

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

Tonya Burchfield - present	Roy Gamble - present	Peggy Lambert - absent
Tab Burkhalter - present	Tom Greene - present	Mike Lewis - present
Rick Carver - present	Brad Harrison - present	Kenneth Melton - present
Mike Caylor - absent	Mark Hasty - present	Jerome Moon - present
Gary Farmer - present	Scott Helton - present	Monika Murrell - present
Jim Folts - absent	Gerald Kirby - present	Steve Samples - present
Ron French - present	Holden Lail - present	Gordon Wright - present

There were 18 present and 3 absent. Chairman Farmer declared a quorum to exist. The following proceedings were held to-wit:

IN RE: MINUTES OF DECEMBER 6, 2011 MEETING.

Commissioner Lewis made a motion to approve the minutes. Commissioner Carver seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: SETTING OF AGENDA.

Commissioner Melton made a motion to set the agenda. Commissioner Lail seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: PROCLAMATION HONORING BLOUNT COUNTY AGRICULTURE EXTENSION.

Commissioner Gamble made a motion to send the item to the consent calendar of the January County Commission meeting. Commissioner Hasty seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: APPOINTMENT TO AGRICULTURE EXTENSION COMMITTEE – TONYA BURCHFIELD, MARK HASTY, MARY GENTRY, AND TOM BOWERS and APPOINTMENT TO BUDGET COMMITTEE – HOLDEN LAIL, MIKE LEWIS, KENNETH MELTON, AND STEVE SAMPLES and

**APPOINTMENT TO PURCHASING COMMISSION – HOLDEN LAIL, MIKE LEWIS, KENNETH MELTON, AND STEVE SAMPLES and
 APPOINTMENT TO JAIL INSPECTION COMMITTEE – SHARON HANNUM, ROBERT MATHIS, LARRY SHEARER and
 APPOINTMENT TO SOLID WASTE AUTHORITY – JOHN LAMB and
 APPOINTMENT TO BLOUNT COUNTY PUBLIC BUILDING AUTHORITY – JERRY G. CUNNINGHAM.**

Commissioner Kirby made a motion to send the items to the consent calendar of the January County Commission meeting. Commissioner Helton seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION REQUESTING THAT THE MEMBERS OF THE GENERAL ASSEMBLY REPRESENTING BLOUNT COUNTY, TO INTRODUCE AND SEEK PASSAGE OF A PRIVATE ACT TO AMEND AND RESTATE CHAPTER 102 OF THE PRIVATE ACTS OF 1979, AS AMENDED.

Commissioner Lail made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Burkhalter seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO AMEND DEBT SERVICE FUND BUDGET - \$55,000.00.

Commissioner Lewis made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Samples seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$19,000.00.

Commissioner Lewis made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Lail seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO AMEND GENERAL COUNTY FUND BUDGET - \$62,000.00.

Commissioner Lewis made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Wright seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - no	
Folts - absent	Helton - yes	Moon - yes	

There were 17 voting yes, 1 voting no, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO APPROVE IMLS GRANT APPLICATION.

Commissioner Moon made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Hasty seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO ADOPT A DEBT MANAGEMENT POLICY FOR BLOUNT COUNTY, TENNESSEE.

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

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION REGARDING THE ADDITION OF AN ADDITIONAL PORTION OF HARVARD STREET TO THE OFFICIAL ROADS LIST FOR BLOUNT COUNTY, TENNESSEE.

Commissioner Helton made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Lail seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION CLASSIFYING THE ROADS OF BLOUNT COUNTY, TENNESSEE ACCORDING TO TENNESSEE CODE ANNOTATED 54-10-103 ET.SEG.

Commissioner Lail made a motion to send the resolution and roads list to the agenda of the January County Commission meeting. Commissioner Burchfield seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: SETTING OF PUBLIC HEARING REGARDING JUDICIAL COMMISSIONERS.

Commissioner Moon made a motion to send to the agenda of the January County Commission meeting the setting of the public hearing for 6:30 pm March 6, 2012. Commissioner Helton seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: RESOLUTION TO AMEND THE ZONING RESOLUTION OF BLOUNT COUNTY, TENNESSEE, SECTION 7.4 C-4 THE VISUAL EFFECTS AND SCREENING REQUIREMENTS FOR CELLULAR TOWERS.

Commissioner Wright made a motion to send the resolution to the agenda of the January County Commission meeting. Commissioner Carver seconded the motion.

A vote was taken on the motion:

Burchfield - yes	French - yes	Kirby - yes	Murrell - yes
Burkhalter - yes	Gamble - yes	Lail - yes	Samples - yes
Carver - yes	Greene - yes	Lambert - absent	Wright - yes
Caylor - absent	Harrison - yes	Lewis - yes	
Farmer - yes	Hasty - yes	Melton - yes	
Folts - absent	Helton - yes	Moon - yes	

There were 18 voting yes, and 3 absent. Chairman Farmer declared the motion to have passed.

IN RE: ADJOURNMENT.

Chairman Farmer declared the meeting to be adjourned.

RESOLUTION 12-02-002

Sponsored by Commissioners Holden Lail, Peggy Lambert, and Jerome Moon

A RESOLUTION RECOGNIZING AND HONORING THE SHOP WITH A COP PROGRAM FOR THEIR OUTSTANDING CONTRIBUTIONS TO THE CITIZENS OF BLOUNT COUNTY, TENNESSEE.

WHEREAS, the Shop with a Cop Program was first established in 1989, when the members of the Fraternal Order of Police sponsored a summer camp for children, and at that time, were made aware of a child that was in need that Christmas; and

WHEREAS, Chief Tony Crisp and Chief Ron Dunn organized a fund raising effort that year at the Maryville and Blount County Sheriff's Office Christmas parties, and by passing the hat, the officers were able to raise money and take the child shopping for Christmas; and

WHEREAS, since that time, and with the help of many members of the community, the Shop with a Cop Program has grown significantly, expanding to a year round program, while continuing their shopping event with local children each Christmas; and

WHEREAS, the Shop with a Cop Program draws support from the summer concert Slim Fest, Alcoa Wal-Mart, members of the Fraternal Order of Police Bud Allison Memorial Lodge #9, and hundreds of law enforcement officers who volunteer their time to shop with the children and give assistance in coordinating the events; and

WHEREAS, because of the Shop with a Cop Program, many disadvantaged children in Blount County have had a happier Christmas, and a better quality of life, and in many situations, dreams have been made a reality; and

WHEREAS, Blount County sincerely appreciates all of the efforts, hard work, and perseverance of the many volunteers who have unselfishly endeavored to maintain this outstanding program for more than twenty years.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, meeting in regular session this 16th day of February, 2012, that the Shop with a Cop Program is hereby recognized and honored for their outstanding contributions to the citizens of Blount County, Tennessee, and we ask all Blount County citizens to join us in applauding them for their charitable assistance to our children, our most valuable resource.

Duly authorized and approved the 16th day of February, 2012.

CERTIFICATION OF ACTION:

ATTEST:

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date

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>
Jim Melton 521 Arthur Avenue Maryville, TN 37804	977-0801 (APPT. 9/16/10) (Resigned 01/30/12)	9/16/15
Rob Walker 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
Andy Allen (Appt. 9/16/10) 232 Littlebrook Circle(GORDON WRIGHT APPT. 8/16/07 <u>RESIGNED 9/1/2010</u>) Rockford, TN 37853	380-0996	8/16/12
Larry Chesney (Appt.8/18/11) 350 Martin Valley Road Walland, TN 37886	980-0824	8/18/16

Associates:

Joe Everett (Appointed 02/21/08) Term expires 2/21/13
 Bruce Damrow (Appointed 9/16/10) Term expires 9/16/15

Jim Melton
521 Arthur Avenue
Maryville, TN 37804
(865) 363-4378 (865) 247-8626

January 30, 2012

To Mayor Ed Mitchell and The Board of Commissioners of Blount County:

It is with mixed emotions that I submit my resignation as a member of the Blount County Board of Zoning Appeals, effective immediately. I am entering a new chapter of my life and will no longer have the time to devote to serving this great county and its citizens. Thank you for the privilege of serving with some of Blount County's best employees, the zoning staff, and most distinguished public servants, the members of the Board of Zoning Appeals.

Sincerely,



Jim Melton
521 Arthur Avenue
Maryville, TN 37804

Cc: Roger Fields, Board of Zoning Appeals

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.

Bruce D. Damrow
2044 Stonybrook Road
Louisville, Tennessee 37777
(h)-865-977-8057
© 334-467-3129
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



BLOUNT COUNTY MAYOR

Ed Mitchell

341 Court Street, Maryville, TN 37804-5906

Phone: (865) 273-5700

Fax: (865) 273-5705

Email: emitchell@blounttn.org



MEMO

TO: Blount County Board of Commissioners

FROM: Ed Mitchell, County Mayor

RE: Appointment to the Board of Directors for the Blount County Children's Home

DATE: February 2, 2012

For the information of the Commission, please be advised that I have appointed the following name for appointment on the Board of Directors of the Blount County Children's Home:

Mr. Rick Carver, due to the resignation of Mark Hasty

MARK HASTY
Blount County Commissioner
District 4 - Seat B
3552 Black Sulfer Way, Maryville, TN 37803

December 5, 2011

The Honorable Ed Mitchell
Blount County Mayor
341 Court Street
Maryville, TN 37804

Dear Mayor Mitchell:

It has been a privilege to serve on the Blount County Children's Home Board of Directors. However, due to conflicts in my schedule, I feel it is best for me to resign from the Blount County Children's Home Board of Directors effective January 1, 2012.

Thank you for this opportunity to serve Blount County.

Sincerely,

Mark Hasty
Blount County Commissioner
District 4 - Seat B

MH/rp

c: Claudia Brady, Blount County Children's Home
Blount County Board of Commissioners

**SHERIFF'S MERIT BOARD
(3 YEAR TERMS)**

**Gary Hall
2351 Riverside Drive
Maryville, TN 37804**

984-1737 – H (appt. 2/18/10 for 2 yrs.)

**Harold Coulter
207 Swanee Drive
Maryville, TN 37804**

983-7668 – H (appt. 2/18/10 and reappt. 3/17/11)

**Danny Galyon
313 Luther Jackson Drive
Maryville, TN 37804**

983-2658 – H (appt. 2/18/10 for 3 yrs.)

**Jerry Marrow
1802 Saddle Horn Trail
Maryville, TN 37803**

856-0566 – H (appt. 2/18/10 and reappt. 3/17/11)

**Cecil "Buster" Saffles
1936 Montvale Station Road
Maryville, TN 37803**

982-7985 – H (appt. 2/18/10 for 2 yrs.)

LAW ENFORCEMENT

CIVIL SERVICE MERIT SYSTEM

PRIVATE ACTS OF 1972

CHAPTER 332

SECTION 1. All counties having a population of not less than sixty-three thousand and seven hundred (63,700) nor more than sixty-three thousand eight hundred (63,800) inhabitants according to U. S. Census of population of 1970 or any subsequent U. S. Census of population may establish merit system for employees of the office of sheriff of such counties.

SECTION 2. The merit system to which this Act shall apply shall be the classified service which includes all positions and salaried employees in the office of sheriff except the sheriff, his chief deputy, jail cook, bookkeeper and his personal secretary, unless such secretary is deputized as a deputy sheriff.

SECTION 3. There is hereby created a merit service board composed of five (5) members selected by the Quarterly County Court to administer the provisions of this Act.

SECTION 4. The terms of the members shall be three (3) years; provided, however, that the initial appointment shall be as follows:

- (a) Two (2) members for one (1) year.
- (b) Two (2) members for two (2) years.
- (c) One (1) member for three (3) years.

All appointments thereafter shall be for three-year terms. A member shall be eligible to reappointment.

SECTION 5. All members of the board must be over twenty-one (21) years of age; of good moral character; a citizen of the United States and the State of Tennessee and must reside in the county.

SECTION 6. The members of the board shall receive such compensation as may be determined by the Quarterly County Court.

SECTION 7. The board shall designate one of its members to serve as chairman of the board. The sheriff shall appoint one of his employees to be personnel officer. The personnel officer shall be the keeper of the personnel records of employees under the provisions of this Act and shall serve as secretary of the merit service board.

SECTION 8. The merit service board as a body shall have the power:

- (a) To adopt and amend rules and regulations for the administration of this Act.
- (b) To make investigations concerning the enforcement and effect of this Act and to require observance of the rules and regulations.
- (c) To hear and determine appeals and complaints respecting the administration of this Act.
- (d) To establish and maintain a roster of all employees of the classified service in the office of the sheriff showing their positions, rank, compensation and places of residence.
- (e) To ascertain and record the duties and responsibilities pertaining to all positions in the classified service and to classify such positions in the manner hereinafter provided.
- (f) Except as otherwise provided in this Act to formulate and hold competitive tests to determine the qualifications of persons who seek employment in any position, and as a result of such tests, establish employment lists of eligibles for the various positions.
- (g) To establish records of the performance and a system of service ratings to be used to determine promotions, the order of lay-offs or reduction of force and the order or re-employment to assist in the determination of dismissal for cause and for other purposes.
- (h) To provide for part-time and temporary positions and appointments and to establish rules defining and governing such positions; provided, however, that no temporary position shall be more than three (3) months.
- (i) To keep any other records as may be necessary for the administration of this Act.

SECTION 9. The board shall, as soon as practical after this Act becomes operative, adopt a classification plan and make rules and regulations for its administration. The classification plan shall state for each class of positions, a class title, and the duties, authorities, responsibilities and character of work required for each position. Each class of positions may be subdivided, and classes may be grouped and ranked in such manner as is deemed appropriate. The board shall determine the requirements of each position and class thereof as to education, experience, capabilities, knowledge and skill. As far as practical, the probable lines of promotion to and from the classes of position shall be indicated.

SECTION 10. The board may, upon request and advice of the sheriff, create new positions or combine, alter or abolish existing positions in such manner as the board, acting with the advice of the sheriff, deems necessary for the effective operation of the office of sheriff; provided, however, that no position in the classified service shall be abolished except upon approval of the board acting in good faith upon the advice of the sheriff.

SECTION 11. The board shall formulate reasonable rules governing the granting of leaves of absence to members of the classified service in good standing. The board shall request the

recommendation of the sheriff upon any request of leave of absence before acting thereon and shall be guided by the requirements of the adequate law enforcement and operational efficiency of the office of sheriff when considering any such request for a leave.

Any person coming under the classified service who shall hereafter be inducted into the armed forces of the United States of America, or who shall hereafter enter said service voluntarily, by enlistment or otherwise in a time of war or other national emergency shall, upon application to the sheriff, receive a military leave of absence for the duration of the period of service required. Such employee shall retain all rights for seniority and shall be entitled to re-employment in the same capacity and position which he held at the time of entering said military service. The application for such rein-statement in position shall be made by or on behalf of such employee within three (3) months after termination of active service in the armed forces.

SECTION 12. The sheriff shall inform the board by periodic reports of the employment needs of the office of sheriff and the board shall, as often as required by the needs of the office of sheriff, hold tests for the purpose of establishing lists of eligibles for the various positions in the classified service. Such tests shall be public, competitive and open to all persons who may be lawfully appointed under the rules promulgated by the board and existing prior to the announcement of the examination. Such rules shall set limitations as to residence, age, health, habits, moral character and other necessary pre-requisites for the performance of the duties of the position for which examination is designated and such rules shall not be less than those provided in Section 38-1104 of the Tennessee Code Annotated.

Promotion tests shall be public, competitive and free to all persons examined and appointed under the provisions of this Act and who have held a classified position with the office of sheriff for at least one (1) year period of time. All tests shall be practical and shall consist only of subjects which will fairly determine the capacity of the person examined to perform the duties of the position in which the appointment is to be made. Tests may include examination for physical fitness and manual skill. No questions in any test shall relate to religious or political opinions or affiliations. The eligibles shall take rank upon a list which shall be compiled for each position, in the order of their relative excellence as determined by the tests without reference to the priority of the time from when the tests are given. No lists of eligible persons shall be valid after one (1) year except, however, the merit service board may extend an eligible period for not more than one (1) year. Notice of the time, place and general scope of each test and the duties, pay and experience required for all positions for which the test is to be held, shall be given by; the board to each applicant at least one (1) week preceding the test. The notice must be in writing and addressed to the last known address supplied by the applicant. Notice of promotional tests shall be given as the board may prescribe.

SECTION 13. Whenever a vacancy occurs in any position in the classified section of the office of sheriff, the sheriff shall make requisition to the board for the names and addresses of all persons eligible for appointment thereto. The board shall certify the names of all persons on the eligible list for position wherein the vacancy exists within thirty (30) days of the requisition to the board. The sheriff thereupon shall investigate each of the five (5) highest on the list of eligibles. In the event the investigations result in none of the five (5) eligible persons being acceptable to the sheriff, he shall investigate the next five (5) eligibles on the list, one after another until one of the eligibles investigated is acceptable to the sheriff. The sheriff shall appoint such person to the

position wherein the vacancy exists and shall notify the board of his action. If the merit service board fails to provide a list, then the sheriff may make appointments to vacancies after having notified the board of his action or his intentions so to do.

No appointment or promotion for any position in the classified service, shall be deemed complete until after the expiration of six (6) months probationary service during which time the sheriff may determine the effectiveness of the employee. If in his judgment the employee does not meet the standards, he may terminate the employment of any person certified and appointed when he deems it to be in the best interest of the service. Whenever a position of the classified service is filled by promotion and the services of the person promoted are terminated by the sheriff during the probationary period, such person shall forthwith be returned to duty in the previous position held by him in the classified service unless such person's conduct during the probationary period had given grounds for dismissal for cause under this Act. Any person dismissed during the probationary period shall not be eligible to a hearing before the board.

A person who is certified to the sheriff and does not report for duty at the time so designated and who does not explain such failure to report in writing within five (5) days, may be rejected by the sheriff who shall forthwith notify the board of the action taken and the reason therefor, and the person's name will then be removed from the eligible list.

SECTION 14. All employees in the classified service may be transferred from one position to another in the same class, and not otherwise. Transfers may be instituted only by the sheriff and shall be permitted only with the consent of the sheriff.

SECTION 15. The practice and procedure of the board with respect to any investigation by the board as authorized by this Act, shall be in accordance with the rules and regulations to be established by the board. Such rules and regulations shall provide for a reasonable notice to all persons affected by any order which the board may issue upon completion of such investigation. Such persons shall have the opportunity to be heard either in person or by counsel, and to introduce testimony in his behalf at a public hearing which shall be held for that purpose.

The board, when conducting any investigations or hearings authorized by this Act, shall have the power to administer oaths, take depositions, issue subpoenas, compel the attendance of witnesses and the production of books, accounts, papers, records, documents and testimony. In case of the obedience of any person to comply with the orders of the board or of a subpoena issued by the board or any of its members, or on the refusal of a witness to testify on any matter on which he may be lawfully interrogated, the judge in any court of record within the county on application of any member of the board, shall compel obedience by proceedings as for contempt. The sheriff or his legal deputy shall serve such subpoenas as issued by the board.

SECTION 16. The sheriff shall give an immediate report in writing of all appointments, reinstatements, vacancies, absences or other matter effecting the status of any member of the classified service or the performance of the duties of such members. The report shall be in the manner and form prescribed by the board.

The sheriff may suspend any employee for not more than ten (10) days for cause and there shall be no right of appeal for any suspension thereof. Provided, however, the sheriff shall not have

the authority to suspend any employee for more than one suspension of ten (10) days within any given six (6) month period of time without a right of appeal. If the sheriff shall suspend any employee for a period longer than ten (10) days, the suspended employee shall be notified in writing of the charges which caused his suspension. He shall thereafter have ten (10) days to request a hearing before the merit service board, and upon his request the board shall set a hearing not more than thirty (30) days from the date of the receipt of his request for a hearing.

SECTION 17. The sheriff shall have the authority to dismiss any employee for ordinary cause with a right of appeal to the board assured the employee. The dismissed employee shall be notified in writing of the causes for dismissal. He shall have ten (10) days to request a hearing before the board and upon his request the council shall set a hearing not more than thirty (30) days from the date of the receipt of his request. The rules of procedure for the conduct of any investigation by the merit service board shall apply to this hearing. Upon a finding by the board that the sheriff has not complied with the procedures of board, the board may order the employee to be reinstated.

SECTION 18. No. employee holding a position in the classified service shall take an active part in any political campaign while on duty nor under any circumstance shall any employee of the office of sheriff solicit money for political campaigns or in any way use his position as a deputy sheriff so as to reflect his personal political feelings as those of the office of sheriff or to use his position as deputy sheriff to exert any pressure on any one person or group of people to sway that person's or persons' political views. Neither an employee while on duty nor any officer while in uniform shall display any political advertising or paraphernalia on his person or on his automobile. No employee of the office of sheriff shall make any public endorsement of any candidate in any campaign for elected office. However, nothing in this Act shall be construed to prohibit or prevent any such employee from becoming or continuing to be a member of a political club or organization and enjoying all the rights and privileges of such membership or from attending any political meetings, while not on duty, or in the course of his official business, nor shall he be denied from enjoying any freedom from interference in the casting of his vote. Any person violating the provisions of this Section shall be dismissed from the service of the office of the sheriff.

SECTION 19. The sheriff shall not require any employee in the classified service to participate in any political activity as a condition of employment, continuation of employment, or promotion. If, upon an investigation by the board and its determination that such actions have taken place, the board shall issue an order to the sheriff to cease and desist such activity. If the sheriff fails to comply or persists in the activity, the council may apply to any court of record in the county for a citation of contempt.

SECTION 20. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not effect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provision of this Act are declared to [sic] severable.

SECTION 21. All laws or parts of laws in conflict with the provisions or [sic] this Act are hereby repealed.

SECTION 22. This Act shall become effective as to any county to which it may apply when the same shall have been approved by the Quarterly County Court of such county by vote of not less than two-thirds ($\frac{2}{3}$) of the members thereof, such approval to be made by said Quarterly County Court within ninety (90) days after the sine die adjournment of the General Assembly of the State of Tennessee for the year 1972, the public welfare requiring it becoming effective at the time. Its approval or non-approval shall be proclaimed by the presiding officer of the Quarterly County Court and certified by him to the Secretary of State.

SECTION 23. For the purpose of approving or rejecting the provisions of this Act, as provided in Section 22, it shall be effective on becoming a law, the public welfare requiring it. For all other purposes it shall become effective September 1, 1972 upon being approved as provided in Section 22.

PASSED: March 22, 1972.

RESOLUTION NO. 12-02-003

SPONSORED BY COMMISSIONERS SCOTT HELTON AND GARY FARMER

A RESOLUTION TO ASK LEGISLATIVE DELEGATION TO MAKE THE SALE OF SYNTHETIC DRUGS A FELONY AND REQUEST SUPPORT BY SURROUNDING COUNTIES

WHEREAS, synthetic marijuana and designer stimulants have created a public health problem in counties in the State of Tennessee, as witnessed by local emergency medical service providers and local law enforcement personnel; and

WHEREAS, currently in the State of Tennessee some of these products are being sold legally, while some are covered under current legislation making them illegal, but as a misdemeanor charge; and

WHEREAS, the Blount County Legislative Body is requesting support for their legislative delegation's proposed legislation to make the sale of synthetic drugs a felony in the State of Tennessee.

NOW, THEREFORE, BE IT RESOLVED by the Blount County Board of Commissioners meeting in regular session on this the 16th day of February, 2012, that the Blount County Legislative Delegation be asked to write and pass comprehensive legislation to make the manufacturing, distribution, and selling of synthetic drugs a felony in the State of Tennessee.

BE IT FURTHER RESOLVED that the Blount County Clerk send a copy of this Resolution to surrounding counties in the State of Tennessee asking for a similar Resolution to their legislative delegation in support of said legislation for the betterment of all of Tennessee.

Duly authorized and approved the 16th day of February, 2012.

CERTIFICATION OF ACTION:

ATTEST:

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date

Jule Bryson
Cumberland County Clerk

2 North Main Street, Suite 206 • Crossville, TN 38555 • (931) 484-6442 • Fax (931) 484-6440

January 18, 2012

The Honorable County Clerk's for the State of Tennessee:

At the request of the Cumberland County Board of Commissioners, I am forwarding each of you a copy of Resolution Number 01-2012-2 which asks the State of Tennessee Legislature to make the sale of synthetic drugs an illegal act in the State of Tennessee. The Resolution encourages each county to contact their State Elected Officials to ratify the passage of comprehensive legislation that would make the manufacturing, distribution, and selling of synthetic drugs a felony in Tennessee and was unanimously approved by the Cumberland County Commission at their last monthly meeting. Thank you and your County Commissioners for your sincere consideration of the enclosed Resolution.

Respectfully,



Jule Bryson
Cumberland County Clerk

Enclosure

JB/dc

RESOLUTION NO. 01-2012-2

A RESOLUTION TO ASK LEGISLATIVE DELEGATION TO MAKE THE SALE OF SYNTHETIC DRUGS A FELONY AND REQUEST SUPPORT BY SURROUNDING COUNTIES

WHEREAS, synthetic marijuana and designer stimulants have created a public health problem in Cumberland County as witnessed by the Cumberland County Emergency Medical Service, the County Drug Court Program, the Crossville Police Department, and the Cumberland County Sheriff's Department; and

WHEREAS, during a recent raid in September 2011 conducted by the Tennessee Bureau of Investigations, State Attorney General's Office, Cumberland County District Attorney's Office, Crossville Police Department, and the Cumberland County Sheriff's Department several convenience stores in Cumberland County were found to be selling synthetic marijuana and designer stimulants for up to thirty dollars (\$30) per package; and

WHEREAS, currently in the State of Tennessee some of these products are being sold legally while some are covered under current legislation making them illegal but is a misdemeanor charge.

NOW, THEREFORE, BE IT RESOLVED by the Cumberland County Board of Commissioners meeting in session assembled on January 17, 2012 that the Cumberland County legislative delegation be asked to write and pass comprehensive legislation to make the manufacturing, distribution, and selling of synthetic drugs a felony in the State of Tennessee.

BE IT FURTHER RESOLVED, that the County Clerk send a copy of this Resolution to all counties in the State of Tennessee asking for a similar Resolution to their legislative delegation in support of said legislation for the betterment of all of Tennessee.

Resolution 01-2012-2 adopted this 17th day on January 2012.

SPONSOR:



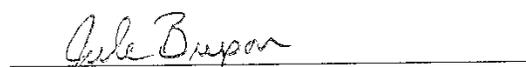
Kenneth Carey, Cumberland County Mayor

APPROVED:



Kenneth Carey, Cumberland County Mayor

ATTEST:



Julie Bryson, Cumberland County Clerk

BEFORE THE COUNTY LEGISLATIVE BODY FOR UNION COUNTY, TENNESSEE

RESOLUTION No. 02 01-09-2012

**RESOLUTION REQUESTING UNION COUNTY'S LEGISLATIVE DELEGATION TO
MAKE THE SALE OF SYNTHETIC DRUGS A FELONY AND REQUEST SUPPORT
BY SURROUNDING COUNTIES**

WHEREAS, synthetic marijuana and designer stimulants have created a public health problem in Union County as witnessed by the Union County Emergency Medical Service, East Tennessee Hospitals, the Union County Drug Court Program, the Maynardville County Police Department and the Union County Sheriff's Department; and

WHEREAS, currently in the State of Tennessee some of these products are being sold legally while some are covered under current legislation making them illegal but is a misdemeanor charge.

NOW, THEREFORE BE IT RESOLVED by this county legislative body, that the Union County legislative delegation be asked to write and pass comprehensive legislation to make the manufacturing, distribution and selling of synthetic drugs a felony in the State of Tennessee.

BE IT FURTHER RESOLVED, that the County Clerk send a copy of this Resolution to all counties in the State of Tennessee asking for a similar Resolution to their legislative delegation in support of said legislation for the betterment of all of Tennessee.

RESOLVED on this the 9th day of January, 2012.

APPROVED:

ATTEST:


County Clerk




MICHEAL WILLIAMS
Chairman and County Mayor

**RESOLUTION
IN SUPPORT OF LEGISLATION
TO MAKE THE SALE OF SYNTHETIC DRUGS A FELONY**

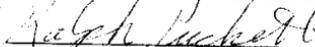
WHEREAS, synthetic marijuana and designer stimulants have created a public health problem in counties in the State of Tennessee as witnessed by local emergency medical service providers and local law enforcement personnel; and

WHEREAS, currently in the State of Tennessee some of these products are being sold legally while some are covered under current legislation making them illegal but as a misdemeanor charge; and

WHEREAS, the Rutherford County Legislative Body is requesting support for their legislative delegation's proposed legislation to make the sale of synthetic drugs a felony in the State of Tennessee.

NOW, THEREFORE, BE IT RESOLVED by this Obion County Legislative Body in regular session this 17th day of January 2012 that we support Rutherford County in their actions to write and pass comprehensive legislation that will make the manufacturing, distribution and selling of synthetic drugs a felony in the State of Tennessee.

BE IT FURTHER RESOLVED that we ask our State Representative, the Honorable Bill Sanderson and our State Senator, the Honorable Roy Herron to support this proposed legislation for the betterment of all of Tennessee.


Ralph Puckett, Chairman

ATTEST:


Vellie Boehms, County Clerk



APPROVED: 
Benny McGuire, County Mayor

BUDGET TRANSFER

(COMMISSION ACTION NEEDED)

<u>FUND</u>	<u>AMOUNT</u>	<u>BUDGET COMMITTEE</u>	<u>VOTE</u>
101 – Gen. County Reg. of Deeds	\$13,794.00	Recommended	5 - yes

**Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2011-2012**

Fund Number 101 Cost Center Number 091190/51600

Fund Name Gen Co Cost Center Name Reg of Deeds

Transfer to:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-091190-500709-51600	data processing equipment	13,794.00
Total transferred to:		13,794.00

Transfer from:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-051600-500709-0	data processing equipment	13,794.00
Total transferred from:		13,794.00

Reason for Transfer Request:
 To purchase a capital asset in the Register of Deeds office-map scanning equipment

Note:
 Total transferred to
 must agree with total
 transferred from.

Phyllis Lee Crisp 1-26-12
 Signature of Department Head Date

 Signature of County Mayor Date

innovative document solutions

RJ YOUNG



Wide Format System Proposal

For

Blount County, Register of Deeds

By Brian Eastin

January 24, 2012

	Ricoh MP W3601 MFP
Configuration	<ul style="list-style-type: none">• W3601 main unit (\$7764)• Roll feeder 3601B (\$1954)• Paper cassette (\$269)• Print option W3601 (\$1694)• Scan option W3601 (\$1131)• File format converter (\$311)• USB 2.0 slot (\$171)
Total Purchase	\$13,294

- Equipment pricing is taken from U.S. Communities Contract #58795.

+ 500.⁰⁰ installation
fee

\$13,794.⁰⁰

OTHER BUDGET ITEMS

(COMMISSION ACTION NEEDED)

<u>ITEM</u>	<u>BUDGET COMM</u>	<u>VOTE</u>
1. J.P. Morgan-Chase Reimbursement Agreement for E-3-B Series Debt	Recommended	5 - yes
2. County Debt Management Policy	Recommended	5 - yes

RESOLUTION NO. 12-02-004

Sponsored by Commissioners Holden Lail and Mike Lewis

A RESOLUTION APPROVING JPMORGAN CHASE BANK, N.A. AS THE SUBSTITUTE PROVIDER OF THE LETTER OF CREDIT IN CONNECTION WITH THE LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES E-3-B OF THE PUBLIC BUILDING AUTHORITY OF BLOUNT COUNTY, TENNESSEE AND THE SERIES E-3-B LOAN AGREEMENT WITH BLOUNT COUNTY, TENNESSEE; AUTHORIZING THE EXECUTION AND DELIVERY OF THE REIMBURSEMENT AGREEMENT IN CONNECTION THEREWITH; AND APPROVING THE DISTRIBUTION OF A REMARKETING CIRCULAR IN CONNECTION THEREWITH

WHEREAS, The Public Building Authority of Blount County, Tennessee (the "Authority") issued its Local Government Public Improvement Bonds, Series E-3-B, dated July 31, 2008 (the "E-3-B Bonds") for the purpose of funding the E-3-B Loan Agreement, dated as of July 1, 2008 (the "E-3-B Loan Agreement") between Blount County, Tennessee (the "County") and the Authority: and

WHEREAS, liquidity and credit enhancement for the E-3-B Bonds is currently provided by a letter of credit issued by KBC Bank, N.V. ("KBC Bank") pursuant to a reimbursement agreement among KBC Bank, the Authority and the County; and

WHEREAS, the variable interest rates on the E-3-B Bonds have increased due to a decline in the ratings of KBC Bank, and the County desires to achieve lower interest rates by substituting the existing letter of credit issued by KBC Bank with a letter of credit issued by another bank; and

WHEREAS, JPMorgan Chase Bank, N.A. ("JPMorgan") has agreed to provide its letter of credit pursuant to a reimbursement agreement among the Authority, the County and JPMorgan (the "Reimbursement Agreement") for the E-3-B Bonds; and

WHEREAS, it is necessary to approve the distribution of a current disclosure document, being a Remarketing Circular, in connection with the substitution of the letter of credit; and

WHEREAS, there has been presented to this meeting (i) a term sheet provided by JPMorgan (the "Term Sheet") setting forth the primary terms of the proposed Reimbursement Agreement and (ii) the form of the Remarketing Circular; and

WHEREAS, for the purposes of approving JPMorgan as the provider of the letter of credit for the E-3-B Bonds, authorizing the execution and delivery the Reimbursement Agreement, approving the use of the Remarketing Circular by the remarketing agent for the Bonds in connection with the remarketing of the E-3-B Bonds, and authorizing the execution of such documents and certificates as shall be necessary to consummate the foregoing, the Board of County Commissioners 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 Terms of Reimbursement Agreement and JPMorgan as Letter of Credit Provider. JPMorgan is hereby approved as the provider of the letter of credit for the E-3-B Bonds in substitution for the letter of credit currently provided by KBC Bank. The primary terms of the Reimbursement Agreement under which such letter of credit would be issued as set forth in the Term Sheet presented at this meeting are hereby approved. The County Mayor and County Clerk are hereby authorized, empowered and directed to execute and deliver the Reimbursement Agreement in the name and on behalf of the County. The Reimbursement Agreement shall be in

such form as shall be approved by the County Mayor and the County Clerk, their execution thereof to constitute conclusive evidence of their approval of such document, provided that the primary terms of such Reimbursement Agreement shall be consistent with the Term Sheet. From and after the execution and delivery of the Reimbursement Agreement, the County Mayor and 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 Reimbursement Agreement as executed.

Section 2. Remarketing Circular. The form, terms and provisions of the Remarketing Circular presented at this meeting are hereby approved. The County Mayor, County Clerk and County Finance Director, or any of them, together with the remarketing agent for the E-3-B Bonds are hereby authorized, empowered and directed to provide for the preparation and delivery of the Remarketing Circular in the name and on behalf of the County. The Remarketing Circular 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 County Clerk and the County Finance Director, or any of them, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein.

Section 3. Additional Authorizations. All acts and doings of the County Mayor, the County Clerk and the County Finance Director of the County and any other representative or officer of the County which are in conformity with the purposes and intent of this Resolution and in furtherance of the substitution of the provider of the letter of credit for the E-3-B Bonds, execution and delivery of the Reimbursement Agreement, and the execution and distribution of the Remarketing Circular as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 4. 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 5. 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 the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption

Adopted and approved this 16th day of February, 2012.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

Stephen Jennings

From: Bradley, Brian L [brian.l.bradley@chase.com]
Sent: Tuesday, January 31, 2012 4:59 PM
To: sjennings@blounttn.org
Cc: Bessler, Chris; Smith, Dana A; O'Grady, Michael J.; Gullett, William
Subject: Credit Facility Proposal dated January 31, 2012 for a Direct Pay Letter of Credit in the amount of \$20,165,000

Steve,

Thank you again for the opportunity to discuss with you the financing needs of Blount County. As part of the process, JPMorgan Chase Bank, N.A. authorizes the above referenced Credit Facility Proposal to be attached as an exhibit to a County Commission Resolution and understands that it will become public information. Please let me know if you need anything else from JPMorgan.

Best regards,

Brian L. Bradley

JPMorganChase 

Brian L. Bradley | Vice President - Government, Not-for-Profit, and Healthcare | JPMorgan Chase Bank, N.A.
8044 Montgomery Rd, Ste 350 | Cincinnati, Ohio 45236 | Phone: 513.985.5043 | Fax: 513.985.5025
Brian.L.Bradley@chase.com

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January 31, 2012



CREDIT FACILITY PROPOSAL

Direct Pay Letter of Credit to support the Public Building Authority of Blount County, Tennessee Local Government Improvement Bonds, tax-exempt Series E-3-B Bonds in the amount of \$20,165,000



Delivery via Email and/or Overnight Mail

January 31, 2012

Mr. Stephen E. Jennings
Finance Director
Blount County, Tennessee
341 Court Street
Maryville, TN 37804

Dear Steve:

On behalf of JPMorgan Chase Bank, National Association ("JPMorgan Chase"), we are pleased to propose for discussion indicative terms to Blount County ("Borrower") with bank support in an aggregate amount of up to \$20,165,000 plus required interest via a Direct Pay Letter of Credit to provide credit enhancement and liquidity support for the Borrower's Tax-Exempt Series Series E-3-B Bonds.

JPMorgan Chase has been the market leader in public finance credit for over 35 years. JPMorgan Chase ranks among the largest providers of credit facilities in the credit market today. Our deep familiarity with this sector is viewed as a strong benefit by the Municipal clients with whom we do business. We believe that our experience in providing credit support, coupled with our long experience in deal execution, will ensure an efficient, cost-effective transaction for Blount County, Tennessee. Client references are available upon request.

The proposed indicative terms provided here for discussion do not represent an offer or commitment to lend on the part of JPMorgan Chase, and would be subject due diligence, credit analysis and approval, and documentation of detailed terms and conditions satisfactory to JPMorgan Chase. Should any part of this proposal conflict with Blount County's structuring parameters, we would be happy to discuss mutually acceptable alternatives.

Should you have any questions about any aspect of this proposal, please do not hesitate to contact me at 513-985-5043. Thank you and we look forward to working with Blount County and its financing team.

Yours sincerely,

A handwritten signature in blue ink that reads "Brian Bradley". The signature is written in a cursive style.

Brian Bradley
Vice President

Blount County, Tennessee
Direct Pay Letter of Credit
Summary of Terms and Conditions

January 31, 2012

This Summary of Terms and Conditions (the "Term Sheet") is confidential and is intended as a statement of indicative terms only, and is provided to facilitate additional discussion. It is a proposal only and not a commitment by JPMorgan Chase Bank, N.A. (the "Bank") to provide financing, liquidity support or credit enhancement. *The Bank shall not have any commitment or obligation hereunder unless and until it executes a commitment letter or a definitive loan agreement.* The pricing and terms included in this Term Sheet are based on market conditions on the date hereof and are subject to change.

Borrower:	Blount County, Tennessee (the "Borrower")
Lender:	JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or the "Bank"). Please refer to Exhibit I for information on the Credit Provider.
Facility:	Credit enhancement in the form of a Direct Pay Letter of Credit and Reimbursement Agreement ("Facility" or "DPLOC").
Facility Amount:	An amount not to exceed \$20,165,000, plus required interest coverage.
Purpose:	To provide credit enhancement in connection with tax-exempt Series E-3-B variable rate demand bonds (the "Bonds") to be issued through the Public Building Authority of Blount County (the "Authority").
Use of Proceeds:	Proceeds of the Bonds were used to refinance Series A-1-A bonds, which were originally used to finance the acquisition, construction, improvement, renovation, repair and/or equipping of the following types of facilities for the Borrower (the "Series E-3-B Project"): schools; public buildings; streets; bridges and roads; and public safety and public works vehicles.
Stated Expiration Date:	At the Borrower's option, the DPLOC shall have an initial Stated Expiration Date as set forth in Exhibit II.
Bond Amortization:	The amortization and maturity of the Bonds supported by the Facility would match existing amortization and maturity.
Interest Rates, Facility Fees and Other Fees:	The Interest Rates on letter of credit draws and the Loans (as defined below), Facility Fees, and Other Fees are set forth in Exhibit II and will be documented in a Fee Letter.
Maximum Interest Rate:	The lesser of 12% or the maximum rate permitted by law.

Clawback:	Bank will require the inclusion of a customary clawback provision as protection against the possibility of the interest rate payable on advances exceeding the maximum permissible rate thereof. Clawback language will comply with applicable usury law.
Indicative Pricing Perishability:	Rates and fees on Exhibit II are indicative as of January 31, 2012, are subject to market conditions at all times until Bank shall commit in writing otherwise, and in any event should not be regarded as indicative after February 15, 2012.
Security:	The Bonds were issued pursuant to a Bond Indenture between the Authority and the Trustee. To evidence the County's obligation to pay debt service on the Bonds, a Loan Agreement was entered into between the Authority and the County. The County's obligation to make payments under the Loan Agreement in an amount sufficient for the Authority to (1) pay debt service on the Bonds and (2) pay all obligations owing the Bank under the Facility is a general obligation of the County and the County has pledged its full faith and credit and unlimited taxing power to the punctual payment of all such amounts due under the Loan Agreement.
Renewal Provisions:	The Borrower may request, no later than 90 days prior to the Stated Expiration Date, that the Bank agree to extend the maturity of the Facility for an additional period. Approval by Bank officers holding credit authority will be required for any extension. The Bank would notify the Borrower of its decision on such extension within 30 days of receipt of the request. Failure to so notify would be deemed a denial of such request by the Bank.
Make-Whole Fee:	<p>In the event that Borrower elects to terminate the Facility or otherwise permanently reduce the Facility Amount prior to the Facility's expiration date, Borrower will be required to pay the Bank a make-whole fee equal to the Facility Fee which would have accrued from the date of termination or reduction through the make-whole period as set forth in Exhibit II. Borrower will not be required to pay the make-whole fee if the Facility is terminated due to a downgrade of the short-term rating of the Bank below "A-1/P-1" by Standard and Poor's and Moody's.</p> <p>No make-whole fee shall be due on Bonds that are refunded by the proceeds of a term debt issuance purchased by a public investor that does not require liquidity or credit support from a third party. All Facility Fees and any other amounts owed to the Bank will be due and payable on or prior to the date of termination of the Facility or on each reduction date.</p>
Conditions Precedent:	Usual and customary conditions for like situated borrowers and the Facility's type and tenor, to issuance of the Facility (including absence of default or unmatured default, absence of material litigation and lack of material adverse change from the Borrower's financial condition and operations as reflected in the financial statements of the Borrower as of June 30, 2010). Additional conditions precedent to the issuance of the Facility will include:

1. The Bank not becoming aware of any information affecting either the Borrower or this transaction which is inconsistent in a material manner with what has been previously disclosed to the Bank and such information is true and correct in all material respects.
2. The absence of any situation occurring which would, in the opinion of the Bank, materially adversely affect the Borrower or this transaction.
3. The Borrower currently maintains all necessary approvals, orders, authorizations, consents, licenses, certificates and permits from all applicable governmental authorities, which are or may be required to operate its facilities.
4. The Borrower shall have delivered other customary closing documentation, including, without limitation, legal opinions of counsel to the borrower acceptable to the Bank.
5. The Borrower shall be rated AA- and Aa2 by Standard & Poors and Moody's, respectively.
6. Governmental entities with sovereign immunity will agree to waive sovereign immunity and trial by jury in any proceeding by the Bank to the extent permitted by law.

Representations and Warranties:

Usual representations and warranties for like situated borrowers and the Facility's type and tenor, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default and continued accuracy of representations.

Representations and warranties relating to Absence of Sovereign Immunity (or waiver of sovereign immunity, if applicable) will also be required for all governmental entities to the extent permitted by law. .

Covenants:

The facility will contain customary affirmative covenants including, without limitation, delivery of financial statements, reports, accountants' letters, projections, officers' certificates and other information requested by the Bank; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Bank to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws, and compliance with all covenants of the Trust Indenture. The Facility will also contain customary negative covenants.

Financial Covenants:

This Facility will incorporate by reference covenants contained in the Trust Indenture, and other Related Bond Documents and said covenants and provisions will be deemed to be for the benefit of the Bank. Any amendments to, or waiver of, said provisions will require the consent of the Bank.

Reporting Covenants:

Unless otherwise requested, the Borrower will provide the following items in an electronic format acceptable to the Bank.

1. Annual, audited, consolidated and consolidating financial statements of the Borrower within 30 days of completion, not to exceed 270 days.
2. Together with the above financial statements, the Borrower will provide a no-default certificate signed by an Authorized Officer of the Borrower.
3. Receipt of annual budget
4. Additional information as reasonably requested by the Bank.

Reimbursement Obligations:

Reimbursement obligations in respect of fundings other than Loans shall be due and payable on the date funded by the Bank and if not so paid when due shall bear interest at the default rate described herein.

So long as no Event of Default has occurred or is continuing, the amount of any draw under the DPLOC for a failed remarketing (each a "Failed Remarketing Draw") will be required to be repaid in twelve equal quarterly installments of principal plus accrued interest with the initial installment commencing twelve months after the date of the first such Failed Remarketing Draw under the DPLOC. Each such Failed Remarketing Draw still outstanding at the termination date of the Facility will continue to be due and payable on such existing schedule, subject to acceleration upon the occurrence of an Event of Default, including without limitation, if any such payment is not made by the Borrower when due.

Term Out at Expiry of DPLOC:

So long as no Event of Default has occurred or is continuing, in the event that the DPLOC expires and the term has not been extended by the Bank or a replacement facility has not been put in place by the Borrower, the Borrower may repay the amount of any draws made on the DPLOC as a result of its expiration, excluding the amount of any Failed Remarketing Draws which may already be amortizing, in twelve equal quarterly installments of principal plus accrued interest with the initial installment commencing on the first day of the month after the expiration of the DPLOC. Notwithstanding the foregoing, any such draw shall be required to be repaid in full and shall be subject to acceleration upon any Event of Default, including without limitation, if any such payment is not made by the Borrower when due. Each Failed Remarketing Draw and the draws funded under this Section are referred to herein as the "Loans".

Events of Default:

The Events of Default will be those usual and customary for like situated borrowers and the Facility's type and tenor, including, without limitation, failure to pay principal, interest, and other facility obligations when due; failure of representations and warranties; breach of covenants in facility loan documents; failure to pay judgments when due; commencement bankruptcy, or similar proceeding or act of insolvency; compromise of guaranty, collateral or other credit support; defaults related to employee benefit plans; merger, dissolution or similar corporate event; cross-default to payment and terms of other obligations; and material adverse change in Borrower's financial condition, business or reputation or in market conditions.

Participations:

The Bank may, in its sole discretion, sell participations in the Facility and disclose information to prospective participants and share, at its option, any fees with such participants.

Governing Law:

All aspects of the credit(s) being discussed including this Term Sheet and any loan documents would be governed by the laws of the State of Tennessee.

- Counsel:** JPMorgan Chase will engage Frost Brown Todd, LLC as the Bank's legal counsel. The Bank will agree to cap such expenses at \$25,000, plus disbursements, based on the scope of the financing as presented.
- Expenses:** Upon the acceptance of a commitment, all legal expenses of the Bank (including those of in-house counsel), plus costs and expenses and other documentation fees incurred as a direct or indirect result of the preparation and review of the Facility documents and the Bond documents, will be reimbursed by the Borrower whether or not the Facility closes.
- Expected Timing of Bank Credit Decision:** Satisfactory due diligence, in the Bank's sole discretion, consists of, but may not be limited to, a full review of requested financial statements and financing documents and discussions with management.
- Should the Borrower request financing substantially on the terms outlined herein, Bank's credit decision would be made within approximately two weeks after such request and completion of due diligence.
- Any offer or commitment, if and when made, will be in a separate writing so stating, following credit decision by Bank. No offer or commitment should be implied or relied upon prior to the Bank's issuance of an express written commitment.
- Yield Protection:** The Borrower will be required to reimburse the Bank for any increased costs in the issuance or maintenance of the Facility imposed by a change in any law, rule, or regulation affecting the Bank's commitment or its ability to act in accordance with such commitment.
- Information Sharing:** The Borrower agrees that the Bank may provide any information or knowledge the Bank may have about the Borrower or about any matter relating to the facilities described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers, potential purchasers, participants or assignees of facilities described in this letter. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the facilities described in this letter to one or more purchasers whether or not related to the Bank.

Confidentiality Statement: The terms of this Term Sheet are for Borrower's confidential use and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Bank consents to the proposed disclosure; *provided, however*, that the Borrower (and each employee, representative or other agent of the Borrower) may disclose to any and all persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are or have been provided to the Borrower relating to such tax treatment or tax structure, except that, with respect to any document or similar item that in either case contains information concerning such tax treatment or tax structure of the transactions contemplated hereby as well as other information, this proviso will only apply to such portions of the document or similar item that relate to such tax treatment or tax structure of the transactions contemplated hereby.

The Bank may, from time to time, be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transaction described herein and otherwise. The Bank confirms that it will not use confidential information obtained from the Borrower by virtue of the potential transaction contemplated by this commitment or our other relationships with the Borrower in connection with the performance by Bank of such services for other companies. The Bank will not use in connection with the potential transaction contemplated by this commitment, or furnish to you, confidential information obtained from other companies.

* * *

This Term Sheet is intended as an outline only and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby.

Exhibit I
INFORMATION ON JPMORGAN CHASE

Bank's Credit Ratings:**Public Ratings for JPMorgan Chase Bank, N.A.**

	S&P	Moody's	Fitch
Long Term Ratings:	AA-	Aa1	AA-
Short Term Ratings:	A-1+	P-1	F1+
Outlook:	Stable	Negative	Stable

All three rating agencies upgraded JPMorgan ratings during February and March 2007. Standard and Poor's subsequently downgraded the Bank's Long Term Rating while maintaining the negative outlook on December 19, 2008. On February 25, 2011, S&P changed its outlook from negative to stable. Moody's downgraded the Bank's Long Term Rating from Aaa on January 15, 2009 and changed the outlook from Stable on March 4, 2009.

Bank Description:

Upon request, and to the extent required, the Bank would be willing to provide to the Borrower, for inclusion in offering documents prepared for the Bonds prior to and after issuance of the Facility, our then current disclosure information customarily provided by the Bank for similar purposes, together with a certificate to the effect that the information contained therein is true and accurate in all material respects. Bank Counsel will not opine with respect to the Bank's disclosure information.

Annual Report:

The Bank's most recent annual report can be accessed via the following website:

<http://www.jpmorgan.com>

Bank Contacts:

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Exhibit II

Pricing and Other Fee Information

Facility Fees ^{1/2/3}

Stated Maturity	Make-Whole ²	Facility Fee ³	Up-Front Fee
3-years	1-year	0.65%	None

1. The Facility Fee is based on a 360-day year and are quoted in basis points per annum. Facility Fee expressed as a percentage of the outstanding amount of the Facility based on a 360-day year and the actual number of days in such period. The Facility Fee will be paid quarterly in arrears for the actual number of days via a direct debit.
2. Please refer to Make Whole section within the Term Sheet for a description of this Term. The make-whole period shall be calculated from the date of closing of the Facility.
3. The Facility Fee then in effect shall increase by 1.00% in the event of Event of Default under the Facility has occurred and is continuing.

Interest and Certain Fees

Letter of Credit Draw Fees	\$250 per draw
Cap for Draw Fees	None
Amendment Fee	\$250 per amendment, plus reasonable legal fees.
Issuance Fee	\$1,000 based on initial issuance
Renewal Fee	The higher of \$500 or current market rates.
Bank Interest Rates	Base Rate* for the first 120 days after draw; Base Rate* + 1.00% after the first 120 days thru maturity
Default Rate	Base Rate* + 4.00%
Maximum Bank Rate	The Bank Rate will not exceed the maximum rate permitted by law.

* Base Rate is defined as the highest of (i) JPMorgan Chase Bank's Prime Rate, (ii) Adjusted One Month LIBOR Rate and (iii) 7.5%. The 7.5% rate shall be adjusted to 4.5% for the first 120 days after a draw should the Bank's short term ratings from S&P and Moody's fall below A-1 and P-1. Adjusted One Month LIBOR Rate is defined as the sum of 2.50% plus the quotient of (a) the LIBOR Rate on the immediately preceding business day for dollar deposits with a maturity equal to one-month, divided by (b) one minus the Reserve Requirement applicable to dollar deposits in the London interbank market with a maturity equal to one month.

All Facility Fee information referenced in this Exhibit will be documented in a Fee Letter between the Bank and the Borrower.

Concurrently with the issuance of the Series E-3-B Bonds on July 31, 2008, Bass, Berry & Sims PLC Nashville, Tennessee, Bond Counsel in connection with the initial issuance of the Series E-3-B Bonds delivered its opinion that: (a) interest on the Series E-3-B Bonds was excludable from gross income for federal income tax purposes and was not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest would be taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations, and (b) that the Series E-3-B Bonds and the income therefrom was exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. On the date of the remarketing of the Series E-3-B Bonds described herein, Bass, Berry & Sims PLC, Bond Counsel will render an opinion that the delivery of the Credit Facility and the related mandatory tender and remarketing of the Series E-3-B Bonds, will not, in and of themselves, adversely affect the exclusion of interest on the Series E-3-B Bonds from gross income of the holders thereof for purposes of federal income taxation. (See “Tax Matters” herein).

\$20,165,000

THE PUBLIC BUILDING AUTHORITY OF BLOUNT COUNTY, TENNESSEE
Local Government Public Improvement Bonds, Series E-3-B (Blount County, Tennessee)
(CUSIP:095175 QZ1)

Original Issue Date: July 31, 2008**Remarketing Date: March 7, 2012****Due: June 1, 2031**

Price: 100%

The Public Building Authority of Blount County, Tennessee (the “Authority”) has authorized the issuance of up to \$1,000,000,000 in aggregate principal amount of Local Government Improvement Bonds, Series E (the “Bonds”) to make loans to incorporated cities or towns, counties, metropolitan governments, school districts or other municipal governmental bodies or political subdivisions in the State of Tennessee and any agency, authority, corporation or instrumentality thereof (each, a “Borrower”) pursuant to separate loan agreements (each, a “Loan Agreement”) to finance or refinance the construction, improvement, repair, acquisition and equipping of land, buildings, equipment and infrastructure (each, a “Project”) for use by a Borrower. Series E Bonds will be issued from time to time in separate series (each, a “Series”) in such amounts as the Authority may determine pursuant to an Amended or Restated Indenture of Trust dated as of June 1, 2008 (the “Base Indenture”) between the Authority and Regions Bank, an Alabama banking corporation, as trustee (the “Trustee”), as supplemented and amended with respect to each Series of Bonds by a Supplemental Indenture (each, a “Supplemental Indenture”).

The Local Government Public Improvement Bonds, Series E-3-B (the “Series E-3-B Bonds”) were issued pursuant to the Base Indenture and a Supplemental Indenture, dated as of July 1, 2008 (with respect to each Series, the “Indenture”) and the proceeds of the sale of the Series E-3-B Bonds were loaned by the Authority to Blount County, Tennessee (the “Series E-3-B Borrower”) pursuant to a Series E-3-B Loan Agreement, dated as of July 1, 2008 (the “Series E-3-B Loan Agreement”) and used for the purposes described herein. The Series of Series E-3-B Bonds are payable from, and are secured by a pledge of payments to be made to the Authority under the Series E-3-B Loan Agreement. Commencing on March 7, 2012 (the “Remarketing Date”), the Series E-3-B Bonds will also be payable from an irrevocable direct-pay letter of credit (a “Credit Facility”) issued by

JPMorgan Chase Bank, N.A.

(the “Credit Provider”). The Credit Facility will expire, unless earlier terminated or unless renewed or extended, on March 15, 2015. The Credit Facility may be replaced by a substitute irrevocable letter of credit (a “Substitute Credit Facility”) under the terms and conditions set forth in the Indenture, as described herein. On the Remarketing Date, the Credit Facility will replace the existing letter of credit securing the Series E-3-B Bonds issued by KBC BANK, N.V., acting through its New York Branch issued on the Original Issue Date and subsequently extended.

On and after the Remarketing Date, the Series E-3-B Bonds will bear interest at the Daily Rate, as more fully described herein, determined each Business Day and payable on the fifth Business Day of each month. The Daily Rate will be determined by Morgan Keegan & Company, Inc., as Remarketing Agent, on the basis of prevailing financial market conditions, as described in the Indenture. Subject to the satisfaction of certain conditions in the Indenture, the Series E-3-B Borrower may from time to time change the method of determining the interest rate on the Series E-3-B Bonds to a Weekly, Commercial Paper or Long Term Interest Rate, as more fully described herein under “THE SERIES E-3-B BONDS -- Interest on the Series E-3-B Bonds - Conversion Option.”

Series E-3-B Bonds bearing interest at the Daily Rate are issuable as fully registered bonds in denominations of \$100,000 each and integral multiples of \$5,000 in excess thereof. The Series E-3-B Bonds, when remarketed, will continue to be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series E-3-B Bonds. Purchases will be made in book-entry only form and no physical delivery of the Series E-3-B Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and premium, if any, and interest on the Series E-3-B Bonds will be made to Beneficial Owners by DTC through its Participants (as herein defined). As long as Cede & Co. is the registered owner of the Series E-3-B Bonds, as nominee of DTC, references herein to the holders of the Series E-3-B Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series E-3-B Bonds. See “THE SERIES E-3-B BONDS -- Book-Entry Only System” herein.

The Series E-3-B Bonds are subject to redemption, purchase, and tender as provided in the Indenture and as described herein.

The Series E-3-B Bonds are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the Series E-3-B Loan Agreement, which revenues and receipts are specifically pledged to such purpose in the manner and to the extent provided in the Indenture. The Series E-3-B Bonds and interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the State or any political subdivision thereof, including the Authority and Blount County, Tennessee (except to the extent Blount County or any other political subdivision of the State is obligated under a Series E-3-B Loan Agreement). Neither the State nor any political subdivision thereof, including the Authority and Blount County, Tennessee (except to the extent Blount County or any other political subdivision of the State is obligated under the Series E-3-B Loan Agreement), shall be obligated to pay the principal of or interest on the Series E-3-B Bonds or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Authority and Blount County, Tennessee (except to the extent Blount County or any other political subdivision of the State is obligated under a Loan Agreement pledged to a Series of Series E-3-B Bonds), is pledged to the payment of the principal of or interest on the Series E-3-B Bonds or other costs incident thereto. The Authority has no taxing power.

In connection with the remarketing of the Series E-3-B Bonds, certain legal matters will be passed upon by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel to Blount County, Tennessee. Certain legal matters will be passed upon for the Authority by Crawford, Crawford & Newton, Maryville, Tennessee, Counsel to the Authority and for the Credit Provider by Frost Brown Todd LLC, Nashville, Tennessee counsel to the Credit Provider. It is expected that the Series E-3-B Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York upon remarketing on March 7, 2012.

MORGAN KEEGAN & COMPANY, INC.

REMARKETING CIRCULAR

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REMARKETING CIRCULAR

\$20,165,000

THE PUBLIC BUILDING AUTHORITY OF BLOUNT COUNTY, TENNESSEE

Local Government Public Improvement Bonds, Series E-3-B

INTRODUCTORY STATEMENT

This Remarketing Circular, including the cover page and the Appendices hereto, is furnished in connection with the remarketing on March 7, 2012 (the "Remarketing Date") of the Local Government Public Improvement Bonds, Series E-3-B (the "Series E-3-B Bonds"). The Series E-3-B Bonds were issued by The Public Building Authority of Blount County, Tennessee (the "Authority") in the original aggregate principal amount of \$20,165,000, all of which remains outstanding. The Series E-3-B Bonds were issued and are remarketed as a separate series of the Authority's Local Government Improvement Bonds, Series E (the "Bonds") authorized in the aggregate principal amount of up to \$1,000,000,000 pursuant to the provisions of Chapter 10, Title 12, Tennessee Code Annotated, as amended (the "Act"), a bond resolution (the "Bond Resolution"), adopted by the Authority on April 21, 2008, and an Amended and Restated Indenture of Trust, dated as of June 1, 2008 (the "Base Indenture"), between the Authority and Regions Bank, an Alabama banking corporation, as trustee (the "Trustee"). The Bond Resolution provides that the Bonds may be issued in series from time to time (each, a "Series") in such amounts and at such times as the Authority may determine. Funds available to pay any one Series of Bonds are not available to pay any other Series of Bonds.

The Act empowers the Authority to undertake a loan program ("Loan Program") to assist incorporated cities and towns, counties, metropolitan governments, school districts or other municipal governmental bodies or subdivisions in the State of Tennessee and any agency, authority, corporation or instrumentality thereof (each, a "Borrower") to finance, refinance, acquire, construct, extend, improve, equip and repair land, buildings, equipment and infrastructure of the type eligible and authorized by the Act (each, a "Project"); to issue its revenue bonds for the purpose of providing loans (each, a "Loan") to Borrowers pursuant to separate loan agreements (each, a "Loan Agreement"); to pay interest on such bonds during the period of construction and for up to six months after completion of any Project; and, to pay costs of issuance of such bonds.

Under the Loan Program, each Borrower will enter into a Loan Agreement with the Authority to evidence its Loan. Under each Loan Agreement the related Borrower covenants to provide for the levy and collection of an ad valorem tax sufficient to pay when due the amounts payable under the Loan Agreement and pledges its full faith and credit to such payments. No Borrower will be liable on the Loan Agreement of any other Borrower.

Each Loan Agreement will be funded by the issuance of a Series of Bonds by the Authority pursuant to the Base Indenture as supplemented by a supplemental indenture (each a "Supplemental Indenture") executed and delivered by the Authority and the Trustee. Principal of, redemption premium, if any, and interest on each Series of Bonds when due (but not the purchase price of tendered Bonds on any Optional Tender Date or Mandatory Tender Date) and fees and expenses of the Loan Program are payable from the revenues and income derived from the Loan Agreement funded from and pledged to such Series of Bonds. Each Series of Bonds will be secured by a pledge and assignment to the Trustee, pursuant to the Base Indenture, as supplemented from time to time (with certain reservations), of the

Authority's right, title and interest in the Loan Agreement funded from such Series of Bonds and not with respect to any other Loan Agreement.

The Series E-3-B Bonds were issued and are being remarketed pursuant to the Base Indenture, as supplemented by the Series E-3-B Supplemental Indenture (the "Series E-3-B Supplemental Indenture"), dated as of July 1, 2008 (with respect to each Series, the "Indenture") for the purpose of providing a loan to Blount County, Tennessee (the "Series E-3-B Borrower"). The Series E-3-B Bonds were used to refinance the Projects described herein under the caption "THE SERIES E-3-B BORROWER AND PROJECTS" and to pay costs of issuance and sale of the Series E-3-B Bonds and the Series E-3-B Loan Agreement. The Series E-3 Borrower has pledged its full faith and credit to the payment of its obligations under the Series E-3-B Loan Agreement.

Concurrently with, and as a condition to, the remarketing of the Series E-3-B Bonds, the Authority and the Series E-3 Borrower will cause JPMorgan Chase Bank, N.A., Cincinnati, Ohio (the "Credit Provider"), to deliver an irrevocable direct-pay Letter of Credit (the "Credit Facility") to the Trustee with respect to the Series of Series E-3-B Bonds. The Trustee will be entitled under the Credit Facility to draw amounts up to (a) the principal amount of the Series E-3-B Bonds or the portion of the Purchase Price of the Series E-3-B Bonds corresponding to the principal of the Series E-3-B Bonds and (b) up to 40 days' accrued interest on the Series E-3-B Bonds of such Series (at a maximum rate of 12% per annum) on that portion of the Purchase Price of the Series E-3-B Bonds corresponding to the accrued interest thereon. The Credit Facility will be issued pursuant to a Reimbursement Agreement, dated as of March 7, 2012, among the Authority, the Series E-3 Borrower and the Credit Provider (each, a "Credit Agreement"), as described under the caption "THE CREDIT FACILITY." The Authority and the Series E-3 Borrower will agree in the Credit Agreement to reimburse the Credit Provider for drawings made under the Credit Facility and to make certain other payments, but only to the extent funds are available for such purposes under the Series E-3-B Loan Agreement.

On the Remarketing Date, the Credit Facility will replace the existing letter of credit securing the Series E-3-B Bonds issued by KBC BANK, N.V., acting through its New York Branch on July 31, 2008 and subsequently extended. In connection with such replacement of the existing letter of credit, all of the outstanding Series E-3-B Bonds will be subject to mandatory tender and remarketing on the Remarketing Date as described herein.

In order to provide for the remarketing of the Series E-3-B Bonds under certain circumstances, the Authority and Morgan Keegan & Company, Inc. (in such capacity, the "Remarketing Agent") entered into a Remarketing Agreement, dated as of July 1, 2008 with respect to the Series E-3-B Bonds (the "Remarketing Agreement").

NO REPRESENTATION IS MADE CONCERNING THE FINANCIAL STATUS OR PROSPECTS OF THE AUTHORITY OR THE SERIES E-3 BORROWER. PROSPECTIVE PURCHASERS OF THE SERIES E-3-B BONDS ARE ADVISED TO RELY SOLELY UPON THE CREDIT FACILITY FOR PAYMENT OF PRINCIPAL AND PURCHASE PRICE OF AND INTEREST ON THE SERIES E-3-B BONDS. AN EVENT OF DEFAULT UNDER THE CREDIT AGREEMENT, INCLUDING, AMONG OTHER THINGS, THE AUTHORITY'S FAILURE TO PAY ITS REIMBURSEMENT OBLIGATIONS OR COMPLY WITH ITS COVENANTS THEREUNDER, WILL PERMIT THE CREDIT PROVIDER TO CAUSE AN EVENT OF DEFAULT UNDER THE INDENTURE, WHICH WOULD REQUIRE THE TRUSTEE TO DECLARE THE SERIES E-3-B BONDS TO BE IMMEDIATELY DUE AND PAYABLE.

Brief descriptions of the Authority, the Series E-3-B Borrower, the Series E-3-B Projects and the Series E-3-B Bonds, follow. Certain demographic and financial information concerning the Series E-3-B

Borrower is included in APPENDICES A and B hereto. A brief description of the Credit Provider is included as APPENDIX C hereto. The descriptions herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each specific document being described, copies of all of which are available for inspection at the principal corporate trust office of the Trustee at 315 Deaderick Street, 4th Floor, Nashville, Tennessee 37237, Attention: Corporate Trust Services. Terms not defined herein have the meanings set forth in the respective documents. See "MISCELLANEOUS" for obtaining more information and for obtaining copies of the documents.

Although the Authority has consented to the use of this Remarketing Circular in connection with the offer and the sale of the Series E-3-B Bonds, it has not participated in the preparation hereof and it makes no representation as to its accuracy or completeness.

THE AUTHORITY

The Public Building Authority of Blount County, Tennessee was organized and exists as a public corporation under the laws of the State of Tennessee, particularly Sections 12-10-101 to 12-10-123, inclusive, Tennessee Code Annotated (the "Act").

The Act authorizes and provides for the creation of public building authorities in the counties and municipalities in the State of Tennessee and empowers such authorities to acquire, own, lease and dispose of properties in order to promote the efficient and economical governmental functions of the various branches and agencies of government and the efficient and economical furnishing of governmental, educational, health, safety and welfare services to the citizens of the several counties, cities and towns in the State.

The Act authorizes any incorporated city or town, county, metropolitan government, school district or other municipal governmental body or political subdivision in the State of Tennessee and any agency, authority, corporation or instrumentality thereof, to enter into leases, loan agreements and financing agreements for projects with any public building authority in the State of Tennessee, for such payments and upon such terms, as may be determined by the board of directors of the authority.

The Act authorizes the issuance of the Bonds of the Authority in such amount or amounts as the board of directors may determine to provide funds for the purpose of financing, acquiring, erecting, extending, improving, equipping or repairing any project or for any combination of such purposes, and demolishing structures on the project site and acquiring a site or sites necessary and convenient for such project, included, but without in any way limiting the generality of the foregoing, architectural, engineering, legal, financing and bond insurance expenses, and including an amount sufficient to meet the interest charges on such revenue bonds during construction of a project and for two years after the estimated date of completion; and to refund and refinance, from time to time, revenue bonds so issued and sold, as often as may be deemed to be advantageous by the board of directors, and pending the issuance of its revenue bonds for the purpose authorized in the Act, to issue its interim certificates or notes or other temporary obligations.

Except to the extent obligated under a loan agreement, the Act further provides that a Borrower shall not in any event be liable for the payment of the principal of or interest on any Bonds of the Authority, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority, and none of the Bonds of the Authority or any of its agreements or obligations shall be construed to constitute an indebtedness of the municipality within the meaning of any constitutional or statutory provision whatsoever.

The Act provides, among other things, that whenever, and as often as, a municipal corporation having taxing power enters into a loan agreement with an authority, the governing body of the municipal corporation shall provide by resolution for the levy and collection of a tax sufficient to pay when due the annual amount payable under such loan agreement, and to pay any expenses of maintaining and operating the project required to be paid by the municipal corporation under the terms of the loan agreement, and, furthermore, to pledge such tax and the full faith and credit of the municipal corporation to such payments. Such tax shall be assessed, levied, collected and paid in like manner as other taxes of the municipal corporation (including counties and cities). Such tax shall not be included within any statutory or other limitation of rate or amount for such municipal corporation 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. There shall be set aside from such tax levy into a special fund an amount sufficient for the payment of the annual amount due under any such loan agreement, and the money in such fund shall be used exclusively for such purpose and shall not be used for any other purpose until such annual amount has been paid in full.

The Authority, which was created in July, 1997 and consists of seven members, who are appointed by the County Mayor and confirmed by the County Commission of Blount County, Tennessee. On April 21, 2008, the Authority adopted a resolution authorizing the issuance of the Series E Bonds.

THE ADMINISTRATOR

TN-LOANS Program Administrators, Inc., has been appointed Administrator under the Indenture and serves pursuant to the Program Administration Agreement. It will provide for the management and administration of the Loan Program. It may be reached at 11400 Parkside Drive, Suite 110, Knoxville, Tennessee 37934, telephone: 865-777-5879.

THE SERIES E-3-B BORROWER AND PROJECTS

The Series E-3-B Bonds were originally issued to refund bonds that were issued to finance the acquisition, construction, improvement, renovation, repair and/or equipping of schools, courthouse, juvenile center and other public buildings (collectively, the "Series E-3-B Projects"). For information on the Series E-3-B Borrower, see APPENDICES A and B hereto.

THE SERIES E-3-B BONDS

General

The Series E-3-B Bonds are dated the date of their original issuance and will mature on June 1, 2031, subject to optional and mandatory redemption, purchase and tender as more fully described herein. The principal of, premium, if any, and interest on, and the Purchase Price of, the Series E-3-B Bonds are payable at the place and in the manner specified in this Remarketing Circular. During any Daily Period, Weekly Period or Commercial Paper Period, the Series E-3-B Bonds will be issued as fully registered Series E-3-B Bonds in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. During any Long Term Period, the Series E-3-B Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Subject to certain limitations, the Series E-3-B Bonds may be transferred or exchanged for other Series E-3-B Bonds of authorized denominations at the principal corporate trust office of the Trustee, without charge other than any tax or other governmental charge.

THE SERIES E-3-B BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE SERIES E-3-B LOAN AGREEMENT PLEDGED TO THE SERIES

E-3-B BONDS, WHICH REVENUES AND RECEIPTS ARE SPECIFICALLY PLEDGED TO SUCH PURPOSE IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE SERIES E-3-B BONDS AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND BLOUNT COUNTY, TENNESSEE (EXCEPT TO THE EXTENT BLOUNT COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED UNDER A LOAN AGREEMENT PLEDGED TO A SERIES OF SERIES E-3-B BONDS). NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND BLOUNT COUNTY, TENNESSEE (EXCEPT TO THE EXTENT BLOUNT COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED UNDER A LOAN AGREEMENT PLEDGED TO A SERIES OF SERIES E-3-B BONDS), SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES E-3-B BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND BLOUNT COUNTY, TENNESSEE (EXCEPT TO THE EXTENT BLOUNT COUNTY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED UNDER A LOAN AGREEMENT PLEDGED TO A SERIES OF SERIES E-3-B BONDS) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES E-3-B BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

Interest on the Series E-3-B Bonds

Interest Rate. Interest on the Series E-3-B Bonds will be paid at the lesser of (a) a Daily Rate, a Weekly Rate, a Commercial Paper Rate or a Long Term Rate, as selected by the Series E-3 Borrower and as determined in the manner hereinafter described or (b) 12% per annum. **Interest is initially payable at the Daily Rate.** The Series E-3 Borrower may change the interest rate determination method from time to time with respect to the Series of Series E-3-B Bonds. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in such Series E-3-B Bonds becoming subject to mandatory tender for purchase on the effective date of such change. When interest is payable at (a) a Daily Rate, Weekly Rate or Commercial Paper Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, and (b) a Long Term Rate, it will be computed on the basis of a 360-day year of twelve 30-day months.

Interest Payment and Record Dates. Interest will accrue on the unpaid portion of the principal of the Series E-3-B Bonds from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series E-3-B Bonds, until the entire principal amount of the Series E-3-B Bonds are paid or duly provided for. When interest is payable at the rate in the first column below, interest accrued during the period (an "Accrual Period") shown in the second column will be paid on the date (an "Interest Payment Date") in the third column to holders of record on the date (a "Record Date") in the fourth column:

<u>TYPE OF INTEREST PERIOD</u>	<u>ACCRUAL PERIOD</u>	<u>INTEREST PAYMENT DATE</u>	<u>RECORD DATE</u>
Daily	Calendar Month	Fifth Business Day of the next month	Last Business Day of the Accrual Period
Weekly	First Wednesday of each Calendar Month through the first Tuesday of the next succeeding Calendar Month	First Wednesday of each month	Last Business Day before Interest Payment Date
Commercial Paper	From 1 to 270 days as determined for each Series E-3-B Bond pursuant to the Indenture (“Calculation Period”)	First day following Calculation Period	Last Business Day before Interest Payment Date
Long Term	Six-month period or portion thereof beginning on the Conversion Date and ending on the last day of the sixth calendar month following (and including) the month in which the Conversion Date occurs and each six-month period thereafter	Each June 1 and December 1 following and (including) the month in which the Conversion Date occurs and the first day of every sixth month thereafter	Fifteenth of the month before the Interest Payment Date

If the Conversion Date does not coincide with the first day of the Accrual Period for the new Interest Period, then the first day of such Accrual Period shall be the Conversion Date, but all other terms and condition shall be as set forth in the above Table.

Daily Period. From the Original Issue Date of the Series E-3-B Bonds until the next following Conversion Date, and from any subsequent Conversion Date after which such Series E-3-B Bonds will bear interest at the Daily Rate until the next following Conversion Date (the “Daily Period”), the Series E-3-B Bonds shall bear interest at the Daily Rate, as hereinafter described.

The Daily Rate will be determined by the Remarketing Agent as follows: the interest rate for each day shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series E-3-B Bonds at a price of Par on such date. Upon determining the Daily Rate for each date, the Remarketing Agent shall notify the Trustee and the Administrator of such rate by telephone or such other manner as may be appropriate on the date of such determination, which notice shall be promptly confirmed in writing. Such notice shall be provided by not later than 9:30 A.M. New York City time on each Business Day for that Business Day. The Daily Rate for any non-Business Day will be the rate for the last day on which a rate was set.

The determination of the Daily Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Series E-3 Borrower, the Trustee, the Credit Provider (if any), and the Owners of such Series E-3-B Bonds. If for any reason the Remarketing Agent shall fail to establish the Daily Rate, such Series E-3-B Bonds shall bear interest at the Daily Rate in effect on the last day for which a rate was set.

Weekly Period. From any Conversion Date after which Series E-3-B Bonds will bear interest at the Weekly Rate until the next following Conversion Date (the “Weekly Period”), the Series E-3-B Bonds shall bear interest at the Weekly Rate, as hereinafter described.

The Weekly Rate will be determined by the Remarketing Agent on each Wednesday for the period beginning on such Wednesday and ending on the following Tuesday, as follows: the interest rate shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series E-3-B Bonds at a price of par on such date. Upon determining the Weekly Rate, the Remarketing Agent shall notify the Trustee and the Administrator of such rate by telephone or such other manner as may be appropriate on the date of such determination, which notice shall be promptly confirmed in writing. Such notice shall be provided by not later than 2:00 P.M. New York City time. If any Wednesday is not a Business Day, then the Weekly Rate shall be established on the next preceding Business Day.

The determination of the Weekly Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Series E-3 Borrower, the Trustee, the Credit Provider (if any), and the Owners of such Series E-3-B Bonds. If for any reason the Remarketing Agent shall fail to establish the Weekly Rate, such Series E-3-B Bonds shall bear interest at the Weekly Rate last in effect.

Commercial Paper Period. From any Conversion Date after which Series E-3-B Bonds will bear interest at a Commercial Paper Rate (the “Commercial Paper Period”) until the next following Conversion Date, such Series E-3-B Bonds will bear interest at the various Commercial Paper Rates for periods of not less than one day and not more than 270 days (each, a “Calculation Period”), as hereinafter described. During any Commercial Paper Period, any Series E-3-B Bond may have a different Calculation Period and a different Commercial Paper Rate from any other Series E-3-B Bond.

At or prior to 12:00 Noon New York City time on any Conversion Date after which the Series E-3-B Bonds will bear interest at the Commercial Paper Rate and the day immediately after the end of such Calculation Period (or if such day is not a Business Day, the immediately preceding Business Day), the Remarketing Agent shall establish Calculation Periods with respect to such Series E-3-B Bonds for which no Calculation Period is currently in effect. The Remarketing Agent shall select the Calculation Periods and the applicable Commercial Paper Rates that, together with all other Calculation Periods and related Commercial Paper Rates, in the sole judgment of the Remarketing Agent, will result in the lowest overall borrowing cost on such Series E-3-B Bonds or are otherwise in the best financial interests of the Series E-3 Borrower, as determined in consultation with the Administrator on behalf of the Authority and the related Series E-3 Borrower; provided, however, during any Credit Facility Period no Series E-3-B Bond shall have a Calculation Period of less than three days. Any Calculation Period established for any Series E-3-B Bond may not extend beyond (i) any Conversion Date, (ii) during any Credit Facility Period, the Business Day next preceding the applicable scheduled Credit Facility Termination Date, or (iii) the day prior to the maturity date of the Series E-3-B Bonds.

On the first day of each Calculation Period, the Remarketing Agent shall set rates by 12:00 Noon New York City time for the Series E-3-B Bonds for such Calculation Period. With respect to each Calculation Period, the interest rate shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell such Series E-3-B Bonds at a price of Par on the date of such determination. Upon determining the rate for each Calculation Period, the Remarketing Agent shall notify the Trustee and the Administrator of such rates and the related Calculation Periods by telephone or such other manner as may be appropriate by not later than 2:00 P.M.

New York City time on the date of such determination, which notice shall be promptly confirmed in writing.

The determination of the Commercial Paper Rates and Calculation Periods with respect to a Series (absent manifest error) shall be conclusive and binding upon the Authority, the Series E-3 Borrower, the Trustee, the Credit Provider (if any), and the Owners of such Series E-3-B Bonds. If for any reason the Remarketing Agent shall fail to establish the Commercial Paper Rates or the Calculation Periods for any Series E-3-B Bonds during the Commercial Paper Period, or in the event no Calculation Period may be established pursuant to the terms of the Indenture, then the Calculation Period for any such Series E-3-B Bond shall be a period of 30 days and the Commercial Paper Rate for such Calculation Period shall be 70% of the interest rate applicable to 91-day United States Treasury bills determined on the basis of the average per annum discount rate at which 91-day United States Treasury bills shall have been sold at the most recent Treasury auction conducted during the preceding 30 days.

Long Term Period. From any Conversion Date after which Series E-3-B Bonds will bear interest at a Long Term Rate (the “Long Term Period”) until the next following Conversion Date or the maturity date of such Series E-3-B Bonds, such Series E-3-B Bonds will bear interest at a Long Term Rate, as hereinafter described.

The Long Term Rate will be determined by the Remarketing Agent after consultation with and approval by the Administrator as follows: the interest rate for each Long Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Series E-3-B Bonds at a price of Par (or at a price or prices other than Par, provided the net price of all Series E-3-B Bonds remarketed is Par or above and provided further that the Series E-3-B Borrower delivers to the Trustee an Opinion of Bond Counsel to the effect that the remarketing of any Series E-3-B Bond at a price other than Par will not adversely affect the exclusion of interest on the Series E-3-B Bonds from gross income for federal income tax purposes) on the date on which the Long Term Period begins. The Long Term Rate shall be determined by the Remarketing Agent not later than the fifth day preceding the commencement of such Long Term Period, and the Remarketing Agent shall notify the Trustee and the Administrator thereof by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing.

The Administrator, on behalf of the Authority and the Series E-3 Borrower, shall instruct the Remarketing Agent, not later than the 20th day prior to the commencement of such Long Term Period, to determine the Long Term Rate for a Series on the basis of a Long Term Period ending on a specified date that is the last day of any calendar month that is an integral multiple of six calendar months from the beginning of such Long Term Period or the maturity of such Series E-3-B Bonds. In the event the Series E-3-B Borrower elects at the end of a Long Term Period to have another Long Term Period applicable to such Series E-3-B Bonds, such Series E-3-B Borrower shall notify the Trustee and the Remarketing Agent in writing, not later than the 20th day prior to the commencement of such new Long Term Period, of such an election with respect to the Long Term Period and of the date on which such new Long Term Period shall begin. If the duration of the Long Term Period will change from an interval of 365 days or less to an interval of more than 365 days, or vice versa, then the Series E-3-B Borrower shall furnish to the Trustee, with such notification, an opinion of Bond Counsel to the effect that such election of such Long Term Period will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Series E-3-B Bonds. The delivery by the Series E-3-B Borrower to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the E-3-B Borrower notification described above on the first day of such Long Term Period is a condition precedent to the beginning of such Long Term Period. In the event that such Series E-3-B Borrower fails to deliver to the

Trustee the letter of Bond Counsel referred to in the preceding sentence, the Series E-3-B Bonds shall be deemed to bear interest at the Weekly Rate, which Weekly Rate shall be 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on such Series E-3-B Bonds was to be set.

The determination of the Long Term Rate (absent manifest error) shall be conclusive and binding upon the Authority, the Series E-3-B Borrower, the Trustee, the Credit Provider (if any), and the Owners of such Series E-3-B Bonds. If for any reason the Remarketing Agent shall fail to establish the Long Term Rate for any Long Term Period, such Series E-3-B Bonds shall be deemed to bear interest at the Weekly Rate, which Weekly Rate shall be 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on such Series E-3-B Bonds was to be set.

Conversion Option. The Series E-3-B Borrower shall have the option (the “Conversion Option”) to direct a change in the type of Interest Period with respect to the Series E-3-B Bonds to another type of Interest Period by delivering to the Trustee, the Administrator and the Remarketing Agent written instructions setting forth (i) the Conversion Date, (ii) the new type of Interest Period and (iii) whether such Interest Period will be a Credit Facility Period. If the new Interest Period is a Commercial Paper Period or a Long Term Period and will be a Credit Facility Period, such instructions will be accompanied by a Substitute Credit Facility, or by an amendment to the existing Credit Facility, providing for the payment of such additional interest and redemption premium (if any) on the Series E-3-B Bonds as may be required. The sufficiency of any such Substitute Credit Facility, or of any amendment to an existing Credit Facility, shall be conclusively established by receipt of written confirmation, in form and substance satisfactory to the Trustee, from any rating agency providing a rating on the Series E-3-B Bonds, or if the Series E-3-B Bonds are not then rated, then from the Remarketing Agent. Such instructions shall be delivered at least 20 days prior to the first day of such Interest Period. If the duration of the Interest Period will change from an interval of 365 days or less to an interval of more than 365 days, or vice versa, then with such instructions the Series E-3-B Borrower shall furnish to the Trustee an opinion of Bond Counsel to the effect that such change in Interest Period will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series E-3-B Bonds. The delivery by the Series E-3-B Borrower to the Trustee of a letter from Bond Counsel confirming the opinion accompanying the Series E-3-B Borrower notification described above on the Conversion Date is a condition precedent to the change in the type of Interest Period. In the event that the Series E-3-B Borrower fails to deliver to the Trustee the letter of Bond Counsel referred to in the preceding sentence, the Series E-3-B Bonds shall continue in the Interest Period in place at the time of exercise of the Conversion Option.

Any change in the type of Interest Period with respect to the Series E-3-B Bonds must comply with the following: (i) the Conversion Date must be an Interest Payment Date for the Interest Period then in effect (and, with respect to a Long Term Period, must be the last Interest Payment Date for such Long Term Period) and (ii) no change in Interest Period shall occur after an Event of Default shall have occurred and be continuing.

Mandatory Tender for Purchase of Series E-3-B Bonds on Mandatory Purchase Date

Series E-3-B Bonds shall be subject to mandatory tender by the Registered Owners thereof for purchase on (a) each Conversion Date other than a conversion between the Daily Period and the Weekly Period, (b) each day immediately following the end of a Calculation Period, (c) the first day of any Long Term Period, (d) the Interest Payment Date immediately before the Credit Facility Termination Date, and (e) the Interest Payment Date concurrent with the effective date of a Substitute Credit Facility (each a “Mandatory Purchase Date”).

Except when Series E-3-B Bonds are subject to mandatory tender on a day immediately following the end of a Calculation Period, the Trustee shall deliver or mail by first class mail a notice in substantially the form required by the Indenture at least fifteen days prior to the Mandatory Purchase Date. When Series E-3-B Bonds are subject to mandatory tender for purchase on the day immediately following the end of a Calculation Period, the Trustee is not required to deliver or mail any notice to the Registered Owners of the Series E-3-B Bonds.

Any notice given by the Trustee as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for purchase as to any Registered Owner to whom proper notice is mailed.

On each Mandatory Purchase Date, Registered Owners of Series E-3-B Bonds shall be required to tender their Series E-3-B Bonds to the Trustee for purchase by 10:30 A.M. New York City time at a purchase price equal to 100% of the principal amount of the Series E-3-B Bonds tendered or deemed tendered, and any such Series E-3-B Bonds not so tendered on the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Trustee an amount of moneys sufficient to pay said purchase price of the untendered Series E-3-B Bonds, shall be deemed to have been purchased pursuant to the Indenture. In the event of a failure by a Registered Owner of Series E-3-B Bonds to tender its Series E-3-B Bonds on or prior to the Mandatory Purchase Date by the requisite time, said Registered Owner shall not be entitled to any payment (including any interest to accrue subsequent to the Mandatory Purchase Date) other than said purchase price for such untendered Series E-3-B Bonds, and any untendered Series E-3-B Bonds shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of said purchase price therefor.

Demand Purchase Option

Any Series E-3-B Bond bearing interest at the Daily Rate or the Weekly Rate shall be purchased from the Registered Owners thereof on any Tender Date at a purchase price equal to 100% of the principal amount of the Series E-3-B Bond tendered or deemed tendered, plus accrued and unpaid interest thereon to the date of purchase, upon:

While the Book-Entry System is not in effect:

(a) delivery to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (i) states the aggregate principal amount and Bond numbers of the Series E-3-B Bonds to be purchased; and (ii) states the date on which such Series E-3-B Bonds are to be purchased (the "Tender Date"); and (b) delivery to the Trustee at its Delivery Office at or prior to 10:30 A.M. New York City time on the date designated for purchase in the notice described in (a) above of such Series E-3-B Bonds to be purchased, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank. Furthermore, such Tender Date shall not be prior to the seventh day next succeeding the date of delivery of the notice unless the Daily Period is in effect.

While the Book-Entry System is in effect:

(a) delivery to the Trustee at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (i) states the aggregate amount of the beneficial ownership interest of the Series E-3-B Bond to be purchased; and (ii) states the date on which such beneficial interest is to be purchased

(the “Tender Date”); and (b) delivery to the Securities Depository, at or prior to 10:30 A.M. New York City time on the same date as delivery of the notice referred to in (a) above, of a written notice irrevocably instructing it to transfer on the registration books of the Securities Depository the beneficial ownership interests in such Series E-3-B Bond or portion thereof, to the account of the Trustee, for settlement on the purchase date on a “fee delivery” basis with a copy of such notice delivered to the Trustee on the same date. Furthermore, such Tender Date shall not be prior to the seventh day next succeeding the date of delivery of the notice unless the Daily Period is in effect.

“Tender Date” means (a) during any Daily Period, any Business Day, and (b) during any Weekly Period, the seventh day (unless such day is not a Business Day, in which case the next Business Day) following receipt by the Trustee and the Remarketing Agent of notice from the Registered Owner that such Registered Owner has elected to tender Series E-3-B Bonds.

Funds for Purchase of Series E-3-B Bonds

On the date Series E-3-B Bonds are to be purchased pursuant to either the Mandatory Purchase provisions or the Demand Purchase Option provisions set forth above, such Series E-3-B Bonds shall be purchased at the Purchase Price only from the funds listed below. Subject to the provisions of the Indenture, funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

- (a) the proceeds of the sale of such Series E-3-B Bonds which have been remarketed by the Remarketing Agent, which proceeds have been paid directly to the Trustee and which proceeds are on deposit with the Trustee prior to 12:00 Noon New York City time on the Business Day preceding the date such Series E-3-B Bonds are to be purchased;
- (b) moneys drawn by the Trustee under the Credit Facility for such Series, during any Credit Facility Period, pursuant to the heading “THE CREDIT FACILITY - General” below; and
- (c) any other moneys furnished to the Trustee and available for such purpose.

Use of Money in the Bond Fund

Except as otherwise provided in the Indenture, moneys in the various accounts of the Bond Fund created under the Indenture for the Series E-3-B Bonds shall be used solely for the payment of the principal of, premium, if any, and interest on the Series E-3-B Bonds and for the redemption of the Series E-3-B Bonds prior to maturity. Subject to the provisions under the heading “THE CREDIT FACILITIES - General” below, funds for such payments of the principal of and premium, if any, and interest on the Series E-3-B Bonds shall be derived from the following sources in the order of priority indicated:

- (a) moneys drawn by the Trustee under the Credit Facility during any Credit Facility Period; and
- (b) any moneys furnished to the Trustee and available for such purpose.

Redemption

Optional Redemption. During any Daily Period or Weekly Period, the Series E-3-B Bonds are subject to redemption by the Authority, at the option of the Series E-3-B Borrower, in whole at any time

or in part on any Interest Payment Date, less than all of such Series E-3-B Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to (but not including) the redemption date.

On any Conversion Date or on the day following the end of a Calculation Period if such day is the end of the Calculation Period for all Series E-3-B Bonds, such Series E-3-B Bonds are subject to redemption by the Authority, at the option of the Series E-3-B Borrower, in whole or in part, less than all such Series E-3-B Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the Outstanding principal amount thereof plus accrued interest to (but not including) the redemption date.

During any Long Term Period, the Series E-3-B Bonds are subject to redemption by the Authority, at the option of the Series E-3-B Borrower, on or after the First Optional Redemption Date, in whole at any time or in part on any Interest Payment Date, less than all of such Series E-3-B Bonds to be selected by lot or in such other manner as the Trustee shall determine, at the redemption prices (expressed as percentages of Principal amount) set forth in the following table plus accrued interest to (but not including) the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
First Optional Redemption Date through the last day immediately preceding the first anniversary of the First Optional Redemption Date	102%
First anniversary of the First Optional Redemption Date through (and including) the day immediately preceding the second anniversary of the First Optional Redemption Date	101%
Second anniversary of the First Optional Redemption Date and thereafter	100%

“First Optional Redemption Date” means, with respect to a Long Term Period less than or equal to five years, the first day of the 24th calendar month from the beginning of such Long Term Period, with respect to a Long Term Period greater than five years but less than or equal to ten years, the first day of the 60th calendar month from the beginning of such Long Term Period, and with respect to a Long Term Period greater than ten years, the first day of the 84th calendar month from the beginning of such Long Term Period.

Mandatory Redemption of the Bonds.

On the first day of June in the years set forth below, the Series E-3-B Bonds are subject to mandatory redemption at the price of par plus accrued interest to the date of redemption without a premium and shall be redeemed, in whole in part, in Authorized Denominations and in the amount set forth below:

<u>Maturity Date</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
June 1, 2031	June 1, 2030	\$ 7,500,000
	June 1, 2031*	12,665,000

*Final Maturity

Notice. In the event any of the Series E-3-B Bonds or portions thereof are called for redemption as aforesaid, notice of the call for redemption, identifying the Series E-3-B Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least 30 days but not more than 60 days prior to the date fixed for redemption to the Registered Owner of each Series E-3-B Bond to be redeemed in whole or in part at the address shown on the registration books. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Failure to mail any such notice, or the mailing of defective notice, to any Registered Owner, shall not affect the proceeding for redemption as to any Registered Owner to whom proper notice is mailed. No further interest shall accrue on the principal of any Series E-3-B called for redemption after the date of redemption if moneys sufficient for such redemption have been deposited with the Trustee. Notwithstanding the foregoing, the notice requirements contained in the first sentence of this paragraph may be deemed satisfied with respect to a transferee of a Series E-3-B Bond which has been purchased pursuant to the Demand Purchase Option after such Series E-3-B Bond has previously been called for redemption, notwithstanding the failure to satisfy the notice requirements of the first sentence of this paragraph with respect to such transferee, as more fully provided in the Indenture.

Defaults and Remedies Under the Indenture

Defaults. Any of the following events will constitute an “Event of Default” under the Indenture with respect to a Series of Series E-3-B Bonds;

- (a) default in the due and punctual payment of interest on any Series E-3-B Bond;
- (b) default in the due and punctual payment of the principal of or premium, if any, on any Series E-3-B Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) default in the due and punctual payment of the Purchase Price of any Series E-3-B Bond at the time required;
- (d) at any time during the Credit Facility Period, receipt by the Trustee of written notice from the related Credit Provider that an Event of Default has occurred and is continuing under the related Credit Agreement and instructing the Trustee to accelerate the Series E-3-B Bonds;
- (e) at any time other than during a Credit Facility Period, the occurrence of a Default under the related Series E-3-B Loan Agreement; and
- (f) at any time other than during a Credit Facility Period, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority contained in the Indenture or in the Series E-3-B Bonds contained and failure to remedy the same after notice thereof.

Acceleration. Upon the occurrence of (i) any Default with respect to a Series of Series E-3-B Bonds other than under (d) above, the Trustee shall, at the written request of the Credit Provider if a Credit Facility is in effect and the Credit Provider is not in default thereunder, and, if no Credit Facility is in effect or if the Credit Provider is in default thereunder, at the written request of the Owners of at least a majority in aggregate principal amount of Outstanding Series E-3-B Bonds of such Series, or (ii) any Event of Default under (d) above, the Trustee shall, by notice in writing delivered to the Administrator on behalf of the Authority and the Series E-3-B Borrower (or, if the Book-Entry System is in effect, the Securities Depository), declare the principal of all Series E-3-B Bonds and the interest accrued thereon to the date of such acceleration immediately due and payable. Upon any declaration of acceleration hereunder, the Trustee shall immediately declare all payments required to be made by the Series E-3-B Borrower under the Series E-3-B Loan Agreement to be immediately due and payable and, during the Credit Facility Period, shall draw moneys under the Credit Facility to pay the principal of all Outstanding Series E-3-B Bonds and the accrued interest thereon to the date of acceleration to the extent required by the Indenture. Interest shall cease to accrue on the Series E-3-B Bonds on the date of declaration of acceleration.

Waivers of Default. The Trustee shall waive any Default under the Indenture with respect to the Series E-3-B Bonds and its consequences and rescind any declaration of acceleration of principal upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Series E-3-B Bonds; provided, however, that there shall not be waived any Default hereunder unless and until the Trustee shall have received written notice from the Credit Provider that the Credit Facility has been reinstated in full; and provided further that any Default under subsection (d) above under “Defaults” may only be waived upon the written request of the Credit Provider (and in such case the consent of the Owners of the Series E-3-B Bonds shall not be required); and provided further that there shall not be waived any Default specified in (a) or (b) above under “Defaults” unless prior to such waiver or rescission, the Series E-3-B Borrower shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Series E-3-B Bonds which became due and payable by declaration of acceleration), with interest at the rate then borne by such Series E-3-B Bonds on overdue installments, to the extent permitted by law, and (ii) all fees and expenses of the Trustee in connection with such Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Default shall have been discontinued or concluded or determined adversely, then and in every such case the Authority, the Trustee and the Owners of Series E-3-B Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon.

Notwithstanding the foregoing, no waiver, rescission or annulment of a Default hereunder shall be made if the Credit Provider shall theretofore have honored in full a drawing under the Credit Facility in respect of such Default.

Defaults and Remedies Under the Series E-3-B Loan Agreement

Defaults. Any of the following events will constitute an “Event of Default” under a Series E-3-B Loan Agreement:

- (a) failure to make payments due under such Series E-3-B Loan Agreement;
- (b) default in the due performance or compliance with any of the other terms of such Series E-3-B Loan Agreement, which continues for 30 days after the Authority or the Trustee has give the Series E-3-B Borrower notice of such default;

(c) certain bankruptcy or insolvency events; and

(d) the Series E-3-B Borrower contests the validity or enforceability of any provision of such Series E-3-B Loan Agreement.

Under the terms of the Series E-3-B Loan Agreement, certain of the Series E-3-B Borrower's obligations referred to in clause (b) above may be suspended if by reason of force majeure (as described in such Series E-3-B Loan Agreement) such Series E-3-B Borrower is unable to carry out such obligations.

Remedies. Upon the occurrence of an Event of Default under a Series E-3-B Loan Agreement, the Trustee, as assignee of the Authority, at any time thereafter and while such Event of Default shall continue, may, at its option, with the consent of the Credit Provider, if any, and subject to the provisions of the Indenture, take any action at law, including mandamus, or in equity to collect amounts then due and thereafter to become due hereunder as such amounts become due, or to enforce performance and observance of any obligations, agreement or covenant of the Series E-3 Borrower under such Series E-3-B Loan Agreement.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, acts as securities depository for the Series E-3-B Bonds. On the Original Issue Date, the Series E-3-B Bonds were issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series E-3-B Bond was issued for each maturity of the Series E-3-B Bonds, each in the aggregate principal amount of such maturity, and deposited with DTC. If, however, the aggregate principal amount of the Series E-3-B Bonds exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such Series E-3-B Bonds.

DTC the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard &

Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series E-3-B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series E-3-B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series E-3-B Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series E-3-B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series E-3-B Bonds representing their ownership interests in Series E-3-B Bonds, except in the event that use of the book-entry only system for the Series E-3-B Bonds is discontinued.

To facilitate subsequent transfers, all Series E-3-B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series E-3-B Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series E-3-B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series E-3-B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series E-3-B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series E-3-B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series E-3-B Bond documents. For example, Beneficial Owners of Series E-3-B Bonds may wish to ascertain that the nominee holding the Series E-3-B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series E-3-B Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series E-3-B Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series E-3-B Bonds are credited on the record date (identified by a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series E-3-B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Authority to Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by

standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name;” and will be the responsibility of such Participant and not of DTC nor its nominee, the Remarketing Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Remarketing Agent or the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series E-3-B Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series E-3-B Bonds by causing the Direct Participant to transfer the Participant’s interest in the Series E-3-B Bonds, on DTC’s records, to the Trustee. The requirement for physical delivery of Series E-3-B Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series E-3-B Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Series E-3-B Bonds to the Trustee’s DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series E-3-B Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series E-3-B Bond certificates will be printed and delivered to DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC’S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE AUTHORITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY, THE TRUSTEE, NOR THE REMARKETING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (ii) THE PAYMENT BY DTC OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL, OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, INTEREST ON, ANY SERIES E-3-B BONDS; (iii) THE DELIVERY OF ANY NOTICE BY DTC OR ANY PARTICIPANT; (iv) THE SELECTION OF THE PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES E-3-B BONDS; OR (v) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY PARTICIPANT.

So long as Cede & Co. is the registered owner of the Series E-3-B Bonds, as nominee for DTC, reference herein to the registered owners of the Series E-3-B Bonds (other than under the heading “TAX EXEMPTION” herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series E-3-B Bonds.

THE CREDIT FACILITY

General

The Credit Facility for the Series E-3-B Bonds will be a separate, irrevocable direct-pay letter of credit of the Credit Provider which will expire at the close of the Credit Provider's business on July 15, 2015 (the "Scheduled Termination Date"), unless terminated earlier in accordance with its terms or unless renewed or extended, to pay to the Trustee, upon request and in accordance with the terms thereof, an amount sufficient to pay (i) the principal of the Series E-3-B Bonds or the portion of the Purchase Price corresponding to the principal of such Series E-3-B Bonds (at maturity or upon acceleration or redemption prior to maturity) and (ii) 40-days' accrued interest (at a maximum rate of 12% per annum) on such Series E-3-B Bonds or that portion of the Purchase Price corresponding to the interest accrued thereon. Not later than the ninetieth (90th) day preceding the Scheduled Termination Date, the Authority and the Series E-3-B Borrower may request in writing, delivered to the Credit Provider, that the Credit Provider renew the Letter of Credit for an additional term. If the Authority and the Series E-3-B Borrower make such a written request, not later than sixty (60) days after receipt of such request, the Credit Provider will give written notice to the Trustee, with a copy to the Series E-3-B Borrower, the Administrator and the Authority, as to whether the Credit Provider will renew the Letter of Credit and, if the Credit Provider indicates that it will renew such Letter of Credit, which shall be in the Credit Provider's sole and absolute discretion, the proposed renewal terms thereof. Any failure by the Credit Provider to respond to a request for an extension or renewal of the Letter of Credit shall be deemed to be a denial of such request. In the event that the Letter of Credit is not renewed, the Authority and the Series E-3-B Borrower will use their best efforts to (i) obtain a Substitute Credit Facility or (ii) cause the Series E-3-B Bonds to be remarketed bearing a rate of interest not requiring the Letter of Credit or to otherwise cause the Series E-3-B Bonds to be repaid in full on or prior to the Scheduled Termination Date. A form of the Credit Facility is attached hereto as APPENDIX D.

During the term of a Credit Facility, the Trustee shall timely draw moneys under such Credit Facility in accordance with the terms thereof to pay when due (whether by reason of maturity, the occurrence of an Interest Payment Date, redemption, acceleration or otherwise) the principal of and interest on the Series E-3-B Bonds; and to the extent moneys representing the proceeds of the remarketing of such Series E-3-B Bonds are not available therefor, to pay when due the Purchase Price of such Series E-3-B Bonds.

In the event of a drawing under a Credit Facility to pay the Purchase Price of the Series E-3-B Bonds upon a Mandatory Purchase Date relating to the issuance and delivery of a Substitute Credit Facility, the Trustee shall draw moneys under the Credit Facility in effect on and prior to such Mandatory Purchase Date and shall not draw upon the Substitute Credit Facility that will become effective on or after such Mandatory Purchase Date.

Notwithstanding any provision to the contrary which may be contained in the Indenture, (i) in computing the amount to be drawn under a Credit Facility on account of the payment of the principal or Purchase Price of, or interest on the Series E-3-B Bonds, the Trustee shall exclude any such amounts in respect of any Series E-3-B Bonds which are Pledged Series E-3-B Bonds or Series E-3-B Bonds registered in the name of the Authority or the Borrower or, to the best knowledge of the Trustee, any nominee for (or any person who owns such Bonds for the sole benefit of) the Authority or the Borrower on the date such payment is due, and (ii) amounts drawn by the Trustee under the Credit Facility shall not be applied to the payment of the principal or Purchase Price of, or premium, if any, or interest on, any Series E-3-B Bonds which are Pledged Series E-3-B Bonds or Series E-3-B Bonds registered in the name of the Authority or the Borrower or, to the best knowledge of the Trustee, any nominee for (or any person

who owns such Bonds for the sole benefit of) the Authority or the Borrower on the date such payment is due.

After any "D Drawing," the obligation of the Credit Provider to honor demands for payment under a Credit Facility with respect to payment of interest, or the portion of Purchase Price of Series E-3-B Bonds corresponding to interest, on such Series E-3-B Bonds will automatically and immediately be reinstated up to the total amount specified therein, upon the terms and conditions set forth in the Credit Facility. Upon release by or on behalf of the Credit Provider pursuant to a Credit Agreement of any Pledged Series E-3-B Bonds, the obligation of the Credit Provider to honor demands for payment under the Credit Facility with respect to payment of the principal, or the portion of Purchase Price of the Series E-3-B Bonds corresponding to principal, of such Series E-3-B Bonds will be automatically and immediately reinstated up to the total amount specified therein upon the terms and conditions set forth in the Credit Facility.

Substitute Credit Facility

Pursuant to the Indenture, the Authority may provide for the delivery to the Trustee of a Substitute Credit Facility for a Series of Series E-3-B Bonds. The Administrator on behalf of the Authority shall furnish written notice to the Trustee, not less than 20 days prior to the Mandatory Purchase Date, (a) notifying the Trustee that the Series E-3-B Borrower is exercising its option to provide for the delivery of a Substitute Credit Facility to the Trustee, (b) setting forth the Mandatory Purchase Date in connection with the delivery of such Substitute Credit Facility, which shall in any event be an Interest Payment Date that is not less than two Business Days prior to the expiration date of the Credit Facility then in effect with respect to the Series E-3-B Bonds, and (c) instructing the Trustee to furnish notice to the Bondholders regarding the Mandatory Purchase Date at least 15 days prior to the Mandatory Purchase Date, as more fully described in the Indenture. Any Substitute Credit Facility shall be delivered to the Trustee prior to the Mandatory Purchase Date and shall be effective on and after such Mandatory Purchase Date. On or before the date of such delivery of a Substitute Credit Facility to the Trustee, the Authority shall furnish to the Trustee (a) a written opinion of Bond Counsel stating that the delivery of such Substitute Credit Facility will not adversely affect the exclusion from gross income of interest on the related Series E-3-B Bonds for federal income tax purposes; and (b) a written opinion of counsel to the Substitute Credit Provider to the effect that the Substitute Credit Facility is a legal, valid, binding and enforceable obligation of the Substitute Credit Provider in accordance with its terms.

CONTINUING DISCLOSURE

With respect to the Series E-3-B Bonds, Blount County will execute a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") agreeing to provide certain financial and operating data concerning its affairs on a continuing basis for owners of the Series E-3-B Bonds. No financial or operating data concerning the Authority will be provided on a continuing basis, and the Authority assumes and will have no liability to the owners of either the Series E-3-B Bonds (or the owner of any beneficial interest therein) or any other person with respect to any of the information provided by Blount County pursuant to the Continuing Disclosure Certificate. Blount County has never failed to comply in all material respects with any previous undertaking with regard to the Rule. For the form of the Continuing Disclosure Agreement, see "APPENDIX D – FORM OF THE CONTINUING DISCLOSURE CERTIFICATE".

THE TRUSTEE

Regions Bank, Nashville, Tennessee, is the Trustee under the Indenture. A successor trustee may be appointed in accordance with the terms of the Indenture. The principal corporate trust office of the

Trustee is located at 315 Deaderick Street, 4th Floor, Nashville, Tennessee 37237, Attention: Corporate Trust Services.

THE REMARKETING AGENT

Morgan Keegan & Company, Inc. is the Remarketing Agent under the Remarketing Agreement. A successor Remarketing Agent may be appointed in accordance with the terms of the Remarketing Agreement. The principal office of the Remarketing Agent is located at 50 Front Street, Memphis, Tennessee 38103, Attention: Underwriting Desk.

RATINGS

Based on the support for payment of principal, Purchase Price and interest provided by the Credit Facility issued by Credit Provider for the Series E-3-B Bonds, the Series E-3-B Bonds have been rated “___/___” by Moody’s Investors Service, Inc. (“Moody’s”). Such rating reflects only the view of Moody’s and any explanation of the significance of such rating must be obtained from Moody’s. There is no assurance that any such rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the judgment of Moody’s, circumstances so warrant.

TAX MATTERS

Federal Tax Treatment

On the Original Issue Date, Bass, Berry & Sims PLC, Bond Counsel in connection with the initial issuance of the Series E-3-B Bonds, rendered its opinion, which opinion has not been revoked or amended as of the date hereof, to the effect that as of the date of such opinion, based on then existing laws, regulations and judicial decisions and subject to certain assumptions and conditions, interest on the Series E-3-B Bonds was excludable from gross income for federal income tax purposes (the “Prior Opinion”). A copy of the Prior Opinion is included in APPENDIX E hereto.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on certain obligations, such as the Series E-3-B Bonds. The Issuer and the Series E-3-B Borrower covenanted to comply with certain requirements designated to assure that interest on the Series E-3-B Bonds will not become includable in gross income. The Prior Opinion assumed compliance with these covenants.

On the Remarketing Date, Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, will render an opinion that the delivery of the Credit Facility on the Remarketing Date, will not, in and of itself, adversely affect the exclusion of interest on the Series E-3-B Bonds from gross income of the holder thereof for purposes of federal income taxation. The form of such opinion is included in APPENDIX E hereto. Bass, Berry & Sims PLC is rendering no opinion with respect to the matters covered by the Prior Opinion or as to the current tax-exempt status of the interest on the Series E-3-B Bonds for federal or State of Tennessee income tax purposes.

State Tax Treatment

On the Original Issue Date, Bass, Berry & Sims PLC, Bond Counsel in connection with the initial issuance of the Series E-3-B Bonds, rendered its opinion, which opinion has not been revoked or amended as of the date hereof, that as of the date of such opinion, based upon then existing law, the Series E-3-B Bonds and the income therefrom were exempt from all present state, county and municipal taxes in

Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on the Series E-3-B Bonds during the period such Series E-3-B Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Series E-3-B Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the remarketing of the Series E-3-B Bonds are subject to opinion of Bond Counsel to the Series E-3-B Borrower, which opinion will be in substantially the form set forth in APPENDIX E attached hereto. Certain legal matters will be passed upon for the Authority by Crawford, Crawford & Newton, Maryville, Tennessee, Counsel to the Authority, for the Credit Provider by its counsel Frost Brown Todd, Nashville, Tennessee

CERTAIN RELATIONSHIPS

The President of TN-LOANS Program Administrators, Inc. is a shareholder of Regions Bank, which serves as Trustee, and is an officer and director of Morgan Keegan & Company, Inc., an affiliate of the Trustee. Morgan Keegan & Company, Inc. also serves as Remarketing Agent for the Series E-3-B Bonds.

MISCELLANEOUS

The Authority has furnished the information contained herein under "THE AUTHORITY." The Authority makes no representation as to the accuracy or completeness of any information contained herein except the information contained in such sections.

The Trustee and its counsel have not participated in the preparation of this Remarketing Circular except for confirming the accuracy of any description of the Trustee contained herein, and hereby disclaims any responsibility for the accuracy or completeness of the information set forth in this Remarketing Circular.

Neither this Remarketing Circular nor any advertisement of the Series E-3-B Bonds is to be construed as a contract or agreement with the holders of the Series E-3-B Bonds. The agreement of the Issuer or the Series E-3-B Borrower with holders of the Series E-3-B Bonds is fully set forth in the Series E-3-B Bonds, the Indenture and the Loan Agreement.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Series E-3-B Borrower to give any information or to make any representation other than as contained in this Remarketing Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by them.

This Remarketing Circular does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series E-3-B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Series E-3-B Bonds have not been registered under The Securities Act of 1933, as amended, or any state securities laws, and neither the Securities and Exchange Commission nor any state regulatory agency will pass upon the accuracy, completeness or adequacy of this Remarketing Circular. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

The information in this Remarketing Circular is provided as of the date of this Remarketing Circular. Nothing contained in this Remarketing Circular shall under any circumstances create an implication that there has been no change in such information after the date of this Remarketing Circular.

The information set forth in this Remarketing Circular has been obtained from the sources which are deemed to be reliable but is not guaranteed as to accuracy or completeness. All estimates and assumptions contained herein are believed to be reliable, but no representation is made that such estimates or assumptions are correct or will be realized.

Certain statements contained in this Remarketing Circular reflect forecasts and forward-looking statements, rather than historical facts. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” and similar expressions are intended to identify forward-looking statements. All such forward-looking statements are expressly qualified by the cautionary statements set forth in this Remarketing Circular.

In connection with the remarketing of the Series E-3-B Bonds, the Remarketing Agent may engage in transactions that stabilize, maintain or otherwise affect the price of the Series E-3-B Bonds. Such transactions may include purchases of the Series E-3-B Bonds for the purpose of maintaining the price of the Series E-3-B Bonds. Such transactions, if commenced, may be discontinued at any time.

THE PUBLIC BUILDING AUTHORITY OF BLOUNT COUNTY, TENNESSEE

BY: _____

ITS: _____

BOUNTY COUNTY, TENNESSEE

BY: _____

ITS: _____

APPENDIX "A"

**DEMOGRAPHIC AND FINANCIAL INFORMATION
RELATING TO THE SERIES E-3-B BORROWER**

APPENDIX “B”

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE SERIES E-3-B BORROWER FOR THE
FISCAL YEAR ENDED JUNE 30, 201_**

APPENDIX "C"
INFORMATION RELATING TO CREDIT PROVIDER

APPENDIX "D"
FORM OF LETTER OF CREDIT

APPENDIX "E"

**OPINION OF BOND COUNSEL DELIVERED ON ORIGINAL ISSUE DATE
AND
PROPOSED FORM OF BOND COUNSEL OPINION RELATING TO REMARKETING**

PROPOSED FORM OF NO ADVERSE EFFECT OPINION
OF BOND COUNSEL

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6200

(Remarketing Date)

Regions Bank, as Trustee
Corporate Trust Services
4th Floor, Mail Code: NA0408
315 Deaderick Street
Nashville, Tennessee 37237

Re: Substitution of the Credit Facility for The Public Building Authority of Blount County,
Tennessee, Local Government Public Improvement Bonds, Series E-3-B

Ladies and Gentlemen:

We are acting as bond counsel to Blount County, Tennessee in connection with the substitution of the Letter of Credit relating to the Local Government Public Improvement Bonds, Series E-3-B, dated July 31, 2008 (the "Series E-3-B Bonds") of The Public Building Authority of Blount County, Tennessee (the "Issuer"). The Series E-3-B Bonds were issued pursuant to an Amended and Restated Indenture of Trust, dated as of June 1, 2008, between the Issuer and Regions Bank, an Alabama banking corporation, as trustee (the "Trustee"), as supplemented and amended by a Series E-3-B Supplemental Indenture of Trust between the Issuer and the Trustee, dated as of July 1, 2008 (collectively, the "Indenture"). The proceeds from the sale of the Series E-3-B Bonds were loaned by the Issuer to Blount County, Tennessee (the "Borrower") pursuant to a Series E-3-B Loan Agreement, dated as of July 1, 2008 (the "Loan Agreement"), between the Issuer and the Borrower. This opinion is being rendered pursuant to Section 6.06(b) of the Indenture in connection with the delivery of a substitute Letter of Credit, dated March 7, 2012 (the "Substitute Credit Facility"), issued by JPMorgan Chase Bank, N.A. (the "Substitute Credit Provider") replacing the existing Letter of Credit, dated July 31, 2008, issued by KBC BANK, N.A., acting through its New York Branch. The Authority, the Borrower and the Substitute Credit Provider have entered into a Reimbursement Agreement, dated as of March 7, 2012 (the "Substitute Credit Agreement"), in connection with the Substitute Credit Facility.

We have examined the Constitution and laws of the State of Tennessee and such other laws, regulations, instruments, documents, and proceedings as we have deemed necessary and advisable in giving this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies. Reference is also made to the opinion of even date of the counsel to the Authority, with respect, among other matters, to the corporate existence of the Authority and to the lawful adoption of the proceedings of the Authority relating to the authorization, execution and delivery of the Substitute Credit Agreement. As to questions of fact material to our opinion, we have relied upon certified proceedings of the Issuer and the Borrower and certifications, representations, waivers and consents of officials of the Issuer, the Borrower, the Trustee, the Bondholder, the Substitute

Credit Provider, JPMorgan Chase Bank, N.A., and Morgan Keegan & Company, Inc., as Remarketing Agent for the Series E-3-B Bonds, without undertaking to verify the same by independent investigation. All terms used herein shall have the same meanings assigned to such terms in the Indenture.

In rendering this opinion, we have assumed the following: (i) interest on the Series E-3-B Bonds is not included in the gross income of their owners for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), (ii) the Credit Facility has become effective on this date with no material amendments or supplements, and (iii) all notices required by the Indenture to be delivered by the Trustee with respect to the provision of a Substitute Credit Facility have been duly delivered. Except as may be otherwise set forth in the opinion below, we have undertaken no investigation to determine whether any event has occurred or action has been taken that would have any adverse effect on the tax-exempt status of interest on the Series E-3-B Bonds, including without limitation the failure of the Issuer or the Borrower to perform their respective obligations under the Tax Certificate executed in connection with the issuance of the Series E-3-B Bonds.

Based on such examination, we are of the opinion as of the date hereof as follows:

Based upon the foregoing and such other matters of fact and law as we have deemed appropriate to the opinion expressed herein, we are of the opinion that, under existing law, the delivery of the Substitute Credit Facility will not adversely affect the exclusion from gross income of interest on the Series E-3-B Bonds of the holders thereof for federal income tax purposes.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

EXHIBIT "F"

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF
CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Blount County, Tennessee (the "Series E-3-B Borrower") as an Obligated Person in connection with the remarketing of the Local Government Public Improvement Bonds, Series E-3-B issued by The Public Building Authority of Blount County, Tennessee (the "Authority") (the "Series E-3-B Bonds"), and the loan of the proceeds thereof to the Series E-3-B Borrower pursuant to a Loan Agreement, dated as of July 1, 2008 with the Authority. The Series E-3-B Bonds were issued and are being remarketed pursuant to an Amended and Restated Indenture of Trust, dated as of June 1, 2008 between the Authority and Regions Bank, as Trustee, as supplemented by the Series E-3-B Supplemental Indenture of Trust dated as of July 1, 2008. The Series E-3-B Borrower covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Series E-3-B Borrower for the benefit of the Bondholders and Beneficial Owners of the Series E-3-B Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Series E-3-B Borrower pursuant to the Rule and this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series E-3-B Bonds (including persons holding Series E-3-B Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series E-3-B Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Series E-3-B Borrower or any successor Dissemination Agent designated in writing by the Series E-3-B Borrower and which has filed with the Series E-3-B Borrower a written acceptance of such designation.

"Fiscal Year" shall mean any period of twelve (12) consecutive months adopted by the Series E-3-B Borrower as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Remarketing Circular" shall mean the Remarketing Circular relating to remarketing of the Series E-3-B Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Tennessee.

"State Depository" shall mean any public or private depository or entity designated by the State as a state depository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports. Not later than one year after the end of the Fiscal Year, commencing with Fiscal Year ending June 30, 2011, the Series E-3-B Borrower shall provide an Annual Report to the MSRB and to the State Depository, if any, consistent with the requirements of Section 4 of this Disclosure Certificate. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may, consistent with the requirements of Section 4 of this Disclosure Certificate, cross-reference other information as provided in Section 4 of this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The Series E-3-B Borrower's Annual Report shall contain or incorporate by reference the following:

(a) If audited financial statements of the Series E-3-B Borrower are not yet available, the unaudited financial statements of the Series E-3-B Borrower, and when audited financial statements are available, the audited financial statements of the Series E-3-B Borrower, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Such financial statements shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If the accounting principles changed from the previous Fiscal Year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) An update of the information in the Remarketing Circular under the following headings:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

11.

12.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Series E-3-B is an “obligated person” (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Series E-3-B Borrower shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Upon the occurrence of any of the above Listed Events, the Series E-3-B Borrower shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such Listed Event, file a notice of such occurrence with the MSRB.

(b) For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Series E-3-B Borrower shall determine the materiality of such event as soon as possible after learning of its occurrence.

(c) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series E-3-B Bonds or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;

- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

SECTION 6. Termination of Reporting Obligation. The Series E-3-B Borrower's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series E-3-B Bonds. The Series E-3-B Borrower shall notify the MSRB and any State Depository that the Issuer's obligations under this Disclosure Certificate have terminated. If the Series E-3-B Borrower's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Series E-3-B Borrower, and the original Series E-3-B Borrower shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Series E-3-B Borrower may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Series E-3-B Borrower may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Series E-3-B Borrower shall be the dissemination agent.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Series E-3-B Borrower to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(vii) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to the MSRB and any State Depository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Series E-3-B Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Series E-3-B Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Series E-3-B Borrower shall have no obligation

under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Series E-3-B Borrower to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Series E-3-B Borrower to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Series E-3-B Borrower of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Series E-3-B Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Series E-3-B Borrower), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Series E-3-B Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Series E-3-B Borrower, the Participating Underwriter and Beneficial Owners from time to time of the Series E-3-B Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

Date: _____, 2012

BLOUNT COUNTY, TENNESSEE

By: _____
Title: County Mayor

10455532.1

RESOLUTION NO. 12-02-005

Sponsored by: Commissioners Kenneth Melton and Mike Lewis

**A RESOLUTION TO ADOPT A DEBT MANAGEMENT POLICY
FOR BLOUNT COUNTY, TENNESSEE**

WHEREAS, *Tennessee Code Annotated*, Section 9-21-151(b)(1), authorizes the State Funding Board to develop model financial transaction policies for local governments and local government instrumentalities;

WHEREAS, the State Funding Board has adopted a statement on debt management and directed local governments and government entities that borrow money to draft their own debt management policies with certain mandatory provisions; and

WHEREAS, the Blount County Board of Commissioners has prepared a debt management policy that includes the mandatory provisions relative to transparency, professionals and conflicts.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session, this 16th day of February, 2012, that:

SECTION 1. The debt management policy attached as Exhibit A to this resolution, incorporated herein by reference, is hereby adopted.

SECTION 2. This resolution shall take effect upon passage, the public welfare requiring it.

Duly authorized and approved this 16th day of February, 2012.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____

County Mayor

Date

Exhibit A - Introduction

The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the Blount County Government. This policy articulates a commitment by the County Legislative Body to manage the financial affairs of the County so as to minimize risks, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the County. A debt management policy signals to the public and the rating agencies that the County is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

Long Term Goals and Strategy

Debt Level

At the time of adoption of this policy, Blount County Government has debt obligations totaling \$225 million payable from the Debt Service Fund and an additional \$2.1 million Capital Lease payable from the General Purpose School Fund.

To put this in perspective, we have benchmarked Blount County’s debt against three separate peer groups...1) Moody’s Median of 78 counties nationwide that have the Aa2 credit rating and population between 100,000 and 200,000, 2) the Moody’s median of all Tennessee Counties and 3) The Moody’s median of five Counties in Tennessee with the same credit rating and similar populations (Montgomery, Sullivan, Sumner, Washington, and Wilson). Blount County compares to these three separate peer groups as follows:

Metric (Moody's data based on 2010)	Moody's 78 County Nationwide Median	Moody's TN Counties Median	Moody's TN 5 County Peer Group	6-30-11 Blount County
Debt per Capita	325	1,420	1,250	1,820
Debt as % of Actual Taxable Value	0.5%	1.6%	1.5%	1.9%
Debt Service as % of Total Expenditures	8.5%	11.0%	9.5%	10.9%

It should be noted that the 78 county nationwide median numbers may not be a fair comparison, because not all states require the Primary Government to carry the debt for the discretely presented school system, as does the state of Tennessee. However, this set of statistics is in the comparison because the rating agencies use nationwide data in their comparisons.

The County recognizes as a goal to achieve a reasonable level of long term debt with an acceptable level of cost risk is the overarching goal of the County’s debt policy. Zero debt will likely never be achieved, nor should it be an objective. Citizens and taxpayers move into and out of the County over time. While they are here, they should contribute to the cost of long term capital infrastructure such as schools, bridges, roads, general county buildings, justice centers and jails. If infrastructure needs are paid entirely with cash reserves accumulated from prior tax collections, then new residents are not required to pay for these facilities. On the other extreme, if too much debt is issued because no cash equity was utilized in the construction of required infrastructure, then long term residents have enjoyed artificially low property taxes, causing the funding burden to be too heavily placed on future generations of taxpayers.

County Goals

- 1) Reduce and maintain the level of debt obligations within the target ranges set forth herein
- 2) Maintain a Capital Projects Fund with sufficient equity so as to build new infrastructure with a combination of cash and debt.
- 3) Maintain the County’s credit rating at a solid AA to low AAA rating

Target Ranges

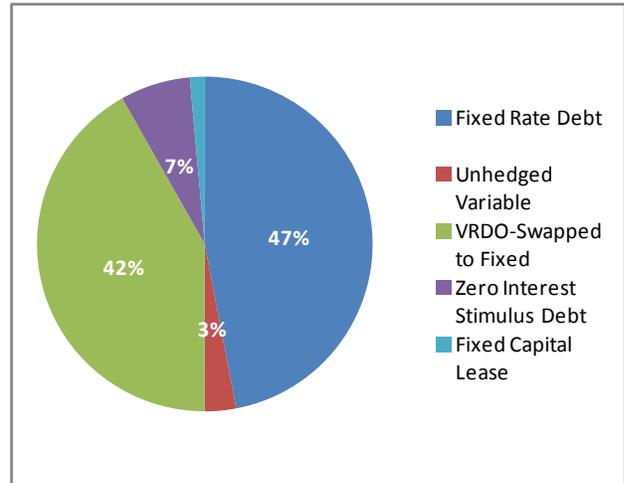
	<u>Minimum</u>	<u>Maximum</u>	<u>Current</u>
Debt per Capita	\$900	\$1,250	\$1,820
Debt as % of Taxable Value	0.85%	1.25%	1.90%

Note: Debt per Capita and Net Debt as a percentage of total assessable market value. excludes the overlapping debt of the Cities of Maryville and Alcoa.

Risk Profile

Fiscal Year 2010-11 had a weighted average cost of Capital of 3.8%. The County’s debt portfolio profile as of June 30, 2011 is detailed below:

		Wgt Avg Rate
Fixed Rate Debt	105,721,260	4.2
VRDO-Swapped to Fixed	94,000,000	4.2
Unhedged Variable Rate	6,755,000	1.5
Zero Interest Stimulus Debt	15,161,256	0.0
Fixed Capital Lease	3,236,470	<u>4.3</u>
Total Debt Outstanding	224,873,986	3.8



The County has \$100.7 million of Variable Rate Demand Obligations issued thru the Blount County Public Building Authority and the TN-Loans Program. There are five interest rate swaps with notional value totaling \$94 million, for which the counterparty is the Deutsche Bank, entered into to hedge the interest rate risk inherent with variable rate debt. These swaps have been deemed to be ineffective for GASB 53 reporting purposes, primarily because the swaps are based on 5 yr CMS (or 5 Year LIBOR) while the underlying debt is traded weekly based on SIFMA and the trading value of our credit support (BB&T and KBC Banks). The swaps being judged ineffective as cash flow hedges if evidenced by the fact that interest rate MMD yield curve over the past 10 years has been relatively steep between the front month and the 5 year point. Consequently, these swaps have served as an effective tool to lower the cost of capital vs. the traditional GO fixed rate debt alternative.

The synthetic structures of these debt obligations bear inherent risks to the County:

- Interest Rate Volatility Risk – The risk of rising interest rates on the unhedged VRDO
- Liquidity Risk – The cost of credit support (LOC or Reimbursement Agreement)
- Counterparty Risk – risk of Deutsche Bank being able to pay (when LIBOR is high)
- Renewal Risk – ability to renew LOC or Reimbursement Agreement
- Basis Risk – difference between SIFMA (underlying VRDO rate) and 5 Year LIBOR
- Swap termination risk – the cost of terminating interest rate swaps

County Goals:

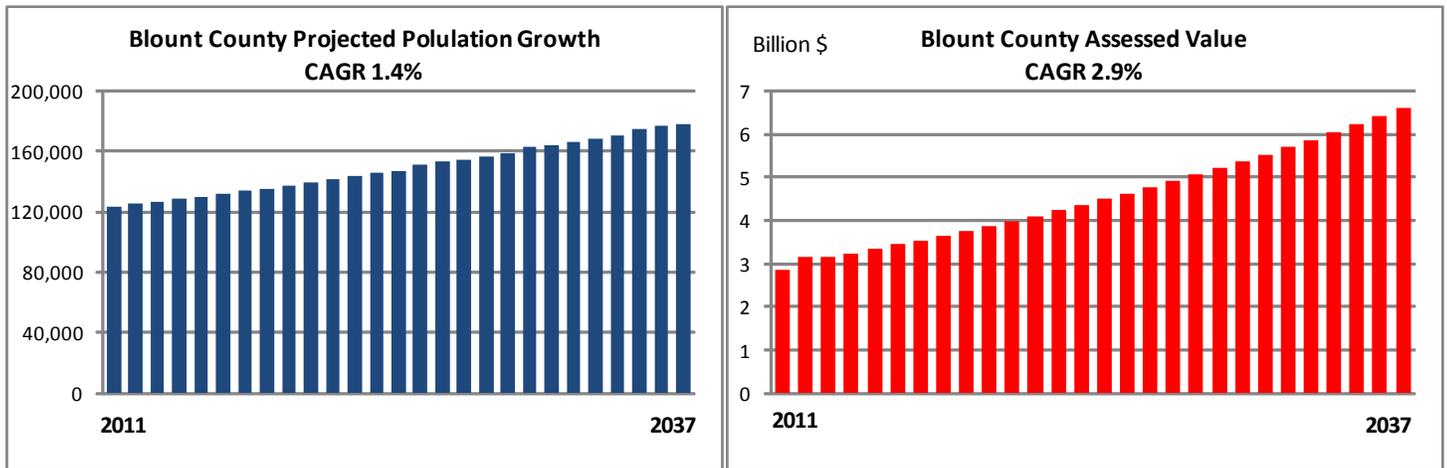
- 4) Reduce the risk profile by terminating swaps and converting the synthetically fixed structures to traditional GO Fixed Rate Debt when market conditions are optimal.
- 5) The target is to have no more than 20% Variable interest rate debt.
- 6) Reduce use of interest rate derivatives to 0%.

Feasibility and Action Plan

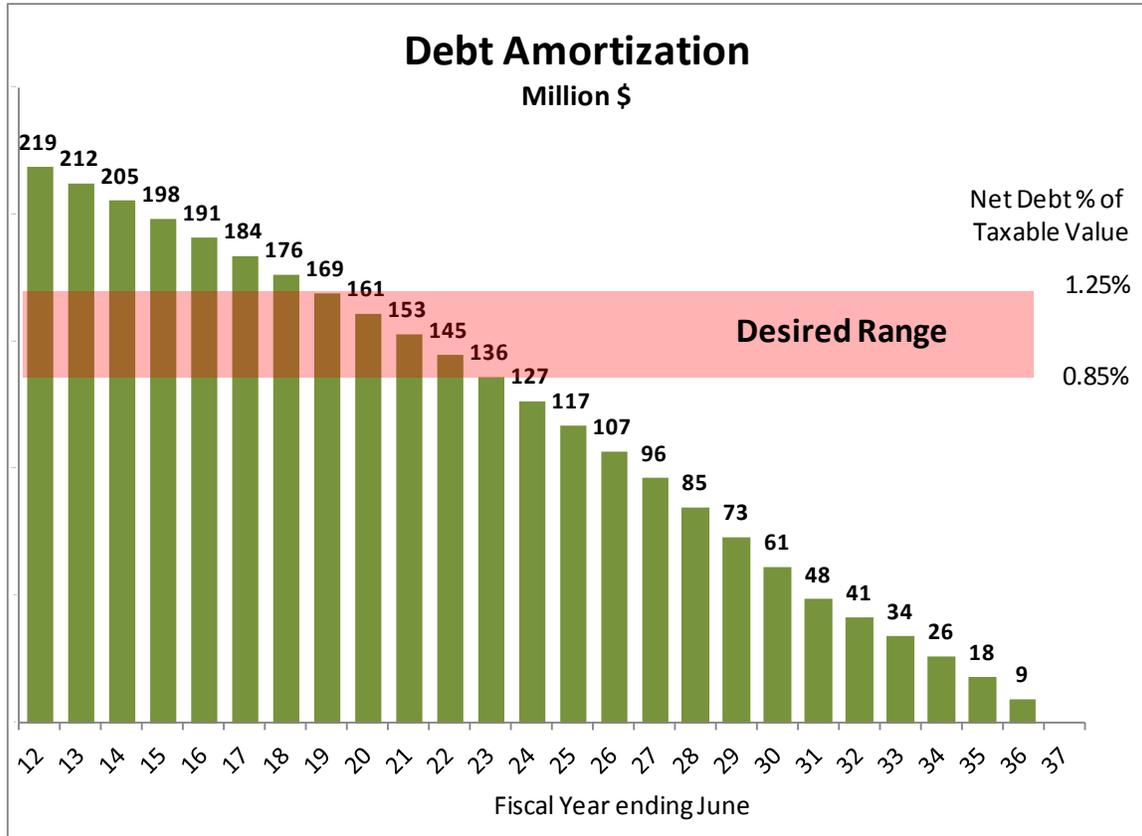
The County’s total taxable value is projected over time by the following:

- i. Population growth projections by the Center for Business and Economic Research at the University of Tennessee.
- ii. Assumption that taxable value will grow along population growth
- iii. Assumption that inflation will also increase the taxable value by 1.5% per year

Depicted below are projections of population growth and taxable value which are required to project Debt per Capita and Debt as a percentage of Taxable Value into the future



Based on the current amortization of Blount County’s Debt Obligations, and the projected growth in population and taxable value, the chart below indicates that the County’s total debt will make it into its target debt range by June 30, 2019 and would be at the bottom of the desired range at the end of fiscal 2023.



	<u>Minimum</u>	<u>Maximum</u>	<u>Current</u>	<u>6/30/2019</u>	<u>6/30/2023</u>
Debt per Capita	\$900	\$1,250	\$1,820	\$1,211	\$921
Debt as % of Taxable Value	0.85%	1.25%	1.90%	1.20%	0.86%

Analysis Assumptions

- i. No new debt obligations are undertaken.
- ii. When the economy begins to grow significantly again, the County Legislative Body will consider tax increases or budget reductions to accelerate debt retirement. This opportunity will be evaluated each year with the adoption of the new fiscal year budget.

Debt Policies

Definition of Debt: All obligations of the County to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of County resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type (whether from an outside source such as a bank or from another internal fund).

Types of Debt:

Security Structure -

General Obligation Bonds

The County may issue general obligation bonds supported by the full faith and credit of the County. General Obligation bonds shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The County may also use its General Obligation pledge to support other revenue-supported bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines.

Revenue Bonds

The County may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds will typically be issued for capital projects which can be supported from project or enterprise-related revenues.

Capital Leases

The County may use capital leases to finance short-term projects.

Duration

Long-Term Debt (maturing after 3 years)

The County may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the expected useful life of the project(s).

- a) *Serial and Term Bonds* may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.

- b) *Capital Outlay Notes* may be issued to finance capital infrastructure projects with an expected life of three to seven years.

Short-Term Debt (maturing within three years)

Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

- a) *Bond Anticipation Notes (BANs)*, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal law and State statute. BANs shall mature within 6 months after substantial completion of the financed facility.
- b) *Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs)* shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.
- c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. A line of credit shall be structured to limit concerns as to the Internal Revenue Code.
- d) *Inter-fund Loans* shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such intrafund loans shall in no event extend beyond twelve (12) months and shall only be issued in compliance with state regulations and limitations.
- e) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed rate mode. The County will determine and utilize the least costly method for short-term borrowing. The County may issue short-term debt when there is a defined repayment source or amortization of principal.

Interest Rate Modes

Fixed Rate Debt

To achieve the goals stated herein and to maintain a predictable debt service burden, the County may give preference to debt that carries a fixed interest rate.

Variable Rate Debt

The percentage of net variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved Fund Balance) shall not exceed 20% of the County's total outstanding debt and will take into consideration the amount and investment strategy of the County's operating cash.

The following circumstances may result in the consideration of issuing variable rate debt:

- a) Asset-Liability Matching
- b) Construction Period Funding
- c) High Interest Rates. Interest rates are above historic averages.
- d) Variable Revenue Stream. The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
- e) Adequate Safeguards Against Risk. Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short-term cash investments in the County's General Fund.
- f) Financial Advisor Analysis. An analysis from the County's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.
- g) As a Component to Synthetic Fixed Rate Debt. Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the County shall certify that present value savings of at least 3% results from issuing synthetic fixed rate debt relative to traditional fixed rate debt.

Role of Debt

- Long-term debt **shall not** be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the County will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.

- The final maturity will not exceed 25 years from issuance or the useful life of the assets purchased or built with the debt, whichever term is shorter.
- Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.
- Any new use of interest rate derivatives must be approved by the CLB within 30 days of issuance

Refinancing Outstanding Debt:

- The County will refund debt when it is in the best financial interest of the County to do so, and the Mayor or his/her designee shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.
- Debt Service Savings: Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing debt documents, the County Mayor or his/her designee establishes a minimum present value savings threshold of 3.0% of the advanced refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.0%, the County Mayor or his/her designee may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.0%, the Finance Director may opt to complete a refunding. If the present value savings per maturity is at least 3.0% but less than 70% of the option value, the County Mayor or his/her designee may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the CLB. Current refunding opportunities will be considered by the County Mayor or his/her designee if the refunding generates positive present value savings.
- The County Mayor or his/her designee will consider the following issues when analyzing possible refunding opportunities:
 1. Onerous Restrictions – Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents.
 2. Refinancing for Economic Purposes – The County will refund debt when it is in the best financial interest of the County to do so. Current and advance refunding opportunities may be considered if the refunding generates positive present value savings, or if it is necessary to lower the risk profile of the County. All refunding plans and the business case for change will be presented by the Mayor or his/her designee to County Commission, and the preliminary plan of refinancing shall be presented in a public meeting.

3. Term of Refunding Issues – The County will refund bonds within the term of the originally issued debt. In no case shall the County consider maturity extension unless the total debt obligations of the County are within this policy’s stated target range, and extension is necessary to achieve an economically desired outcome (provided such extension is legally permissible.) The County may also consider shortening the term of the originally issued debt to realize greater savings and to move into the target range sooner than scheduled.
4. Escrow Structuring – The County shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.
5. Arbitrage – The County shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

Approval of Debt: Bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes will be submitted to the State of Tennessee Comptroller’s Office and approved by County Legislative Body prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the Comptroller’s Office prior to issuance. Capital or equipment leases may be entered into by the County Commission; however, details on the lease agreement will be forwarded to the Comptroller’s Office on the specified form within 45 days.

Transparency

- The County shall comply with legal requirements for notice and for public meetings related to debt issuance.
- All notices shall be posted in the customary and required posting locations, including as required in local newspapers.
- The County Mayor or his/her designee shall present at a public meeting of the County Legislative Body the following aspects of the transaction
 - All costs, including principal, interest, issuance, continuing, and one-time
 - The terms and life of each debt issue
 - A debt service schedule outlining the rate of retirement for the principal amount
 - The specific source of payment for the resulting principal and interest costs. Examples of sufficient disclosure include increases in taxes or decreases in operating expenses to pay for the debt service without an increase to taxes or rates.

- Any costs and/or commissions paid in conjunction with the issuance of derivatives must be disclosed, identifying the payee as well as the payer, even if it is a third party pass through transaction.

Methods of Issuance

The Mayor or his/her designee will determine the method of issuance on a case-by-case basis.

Competitive Sale

In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

Negotiated Sale

While the County prefers the use of a competitive process, the County recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the County shall assess the following circumstances:

- a) State prohibitions against negotiated sales,
- b) A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond,
- c) Size of the issue which may limit the number of potential bidders,
- d) Market volatility is such that the County would be better served by flexibility in timing a sale,
- e) Whether the Bonds are issued as variable rate demand obligations,
- f) Whether an idea or financing structure is a proprietary product of a single firm.
- g) Private Placement - From time to time the County may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.
- h) Any negotiated sale requires specific authorization by the CLB

Underwriter Selection (Negotiated Transaction)

Senior Manager Selection

The County Mayor or his/her designee shall select the senior manager for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

- The firm's ability and experience in managing complex transactions
- Prior knowledge and experience with the County
- The firm's willingness to risk capital and demonstration of such risk
- Quality and experience of personnel assigned to the County's engagement
- Financing ideas presented
- Underwriting fees

Co-Manager Selection

Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the County's bonds.

Selling Groups

The County may use selling groups in certain transactions. To the extent that selling groups are used, the Finance Director at his or her discretion may make appointments to selling groups as the transaction dictates.

Underwriter's Counsel

In any negotiated sale of County debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the County.

Underwriter's Discount

The Finance Director will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Finance Director will determine the allocation of fees with respect to the management fee, if any. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Finance Director. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance

The Finance Director with assistance of an independent Financial Advisor will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits. Following each sale, the Finance Director shall provide a report to the County Commission on the results of the sale.

Syndicate Policies

For each negotiated transaction, the Finance Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Finance Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the County's bonds will be net designated, unless otherwise expressly stated.

The County shall require the senior manager to:

- a) Equitably allocate bonds to other managers and the selling group
- b) Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations
- c) Within 10 working days after the sale date, submit to the Finance Director a detail of orders, allocations and other relevant information pertaining to the County's sale

Other Debt Guidelines going forward

- The status of total outstanding debt in regards to this policy must be reviewed and reported to County Legislative Body by the Mayor or his/her designee prior to the approval of debt for new projects.
- The County's total outstanding debt obligation will be monitored and reported annually to the County Legislative Body by the Mayor or his/her designee (as of June 30 fiscal close) no later than October 31 of each year. This report shall include all costs related to the repayment of debt, including liabilities for future years.
- As a rule, the County shall not backload, use balloon payments or other exotic formats to structure the repayment of capital projects. The County may utilize non-level debt methods, but in such circumstances the structure must be presented in a public meeting to determine that such use is justified and in the best interest of the County.
- The County has outstanding debt issued through a conduit issuer... the Blount County Public Building Authority. The County may continue to issue debt through conduit issuers, but in such circumstances the decision to do so must be presented in a public meeting to determine that such use is justified and in the best interest of the County.
- Records of all costs associated with the initial issuance or incurrence of debt shall be maintained and available for public inspection by contacting the Finance Director

Professional Services:

The County shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the County and the lender or conduit issuer, if any. This includes "soft" costs or compensations in lieu of direct payments.

- Counsel: The County shall enter into an engagement letter agreement with each lawyer or law firm representing the County in a debt transaction. (No engagement letter is required for any lawyer who is an employee of the County or lawyer or law firm which is under a general appointment or contract to serve as counsel to the County. The County does not need an engagement letter with counsel not representing the County, such as underwriters' counsel.)
- Financial Advisor: The County shall enter into a written agreement with each firm serving as financial advisor for debt management and transactions.
 - Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the County
- Underwriter: The County shall require the Underwriter to clearly identify itself in writing as an underwriter and not as a financial advisor from the earliest stages of its relationship with the County with respect to that issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the Entity. The Underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the County Mayor or his/her designee in advance of the pricing of the debt.

Conflicts:

- Professionals involved in a debt transaction hired or compensated by the County shall be required to disclose to the County existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, bond counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the County to appreciate the significance of the relationships.
- Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Compliance:

The County Mayor is responsible for ensuring compliance with this policy.

TCA References: TCA 9, Chapter 21 – Local Government Public Obligations Law

BLOUNT COUNTY GOVERNMENT

341 COURT STREET
MARYVILLE, TN 37804-5906
PHONE (865) 273-5700
FAX (865) 273-5705

STEPHEN E. JENNINGS
FINANCE DIRECTOR



TO: Blount County Commission Space Allocation Committee

FROM: Steve Jennings, Finance Director

RE: Office space in the Blount County Courthouse provided to the State Division of County Audit

DATE: January 25, 2011

Currently we provide our Auditors a small office on the second floor that is intermingled with the operations of the Juvenile Court. During several weeks each year, we have three or four auditors on site; and they are forced to work in a challenging work environment, from both a space and a noise perspective.

I believe it is important to provide them a professional work environment, therefore I am requesting that we provide them a portion of the empty space on the second floor that Adult Probation previously occupied. The relocation costs will be minimal, as the work will be done with our maintenance employees and the IT connections are already there. The Auditors will have a key to the office and will keep the door locked at all times that they are not present.

I appreciate your consideration of this request.

A handwritten signature in black ink, appearing to be "S. Jennings", written in a cursive style.

Think Quality - Think Future

Blount County Planning Department

Blount County Courthouse - 327 Court Street
Maryville, TN 37804-5906
Tel (865) 273-5750 - FAX (865) 273-5759
e-mail - planning@blounttn.org
on-line - www.blounttn.org/planning/

TO: Members of the Blount County Commission

FROM: John Lamb

DATE: February 1, 2012

SUBJECT: Recommendation for amendments to the zoning regulations from the Blount County Planning Commission – for setting of public hearing.

After consideration of recommendations from an Ad Hoc Committee on ridge-top and hillside development standards, the Blount County Planning Commission voted unanimously at their January 26, 2012 meeting to recommend the following amendments to the zoning regulations (related staff memo and original Ad Hoc Committee report attached separately for information):

(A) Increase minimum building setback in the R-2 zone to 30 feet from side and rear property boundaries with exception for front setback from roads, in order to allow establishment of proper minimum Firewise defensible space for each property.

That Zoning Regulations Section 9.3.G be amended to read as follows:

G. Setback Requirements: All uses permitted or permitted as special exception shall comply with the following setback requirements, except as otherwise provided for in Articles 3 and 5 for lots of record and nonconforming situations.

1. Front Setback: the minimum depth of the front building setback shall be 30 feet from any road right-of-way or easement line, with the following exceptions: (a) the lot fronts on an arterial road as shown on the Major Road Plan of Blount County, in which case the front setback shall be 60 feet for principal arterial roads and 40 feet for major arterial roads, (b) the lot has been previously platted on a plat registered with the Blount County Register of Deeds prior to the enactment of this Resolution in which case the minimum shall be as shown on the registered plat, **and (c) 20 feet if the lot fronts on a local road with slope of property greater than 30 percent falling away from the road.**

2. Rear Setback: the minimum building setback from the rear property line shall be **30** feet for the principal structure, and five feet for any accessory structure, provided that the rear setback shall be 40 feet, or greater as may be required by the Board of Zoning Appeals, for any special exception.

3. Side Setback: the minimum building setback from the side property line shall be **30** feet.

(B) Decrease minimum lot size and density to three acre minimum or 0.33 units per acre in the R-2 zone consistent with the Conceptual Land Use Plan, and delete provisions for clustering in planned unit development to maintain greater spacing of housing units consistent with Firewise principles.

That Zoning Regulations Section 9.3.F be amended to read as follows:

F. Minimum Lot Size and Density: unless otherwise explicitly required in subsections above, the minimum lot size per unit for development shall be **three acres**. For other than one unit per lot, or for planned unit development, the density shall be no greater than **0.33** units per gross acre.

(C) Amend provisions for Planned Unit Development to apply only to S and R-1 zones to eliminate option for cluster subdivisions of small lots in the R-2 zone.

That Zoning Regulations Section 7.3 introductory paragraph be amended to read as follows:

Section 7.3. Planned Unit Development. The purposes of these provisions for planned unit development are to allow flexibility in design of a large development, and to allow mixed use where such mixed use may be reasonably designed and integrated into a large development. The following shall apply **only to the S-Suburbanizing and R-1-Rural District 1 zones**:

(D) Amend provisions for vacation rental cabins to conform to amended density in the R-2 zone.

That Zoning Regulations Section 7.11.A be amended to read as follows:

A. In the R-1 – Rural District 1 zone **and the R-2-Rural District 2 zone**, the maximum density of vacation rental cabins shall be no greater than for single family density in the zone.

(E) Add provision that cutting and trimming of trees in the R-2 zone shall be limited to that required: to allow construction and maintenance of a Firewise home or principal structure along with accessory structures; to accommodate access, utilities and septic treatment; and to accommodate cutting of dead or diseased trees to maintain property.

That a new Section 9.3.I be added to read as follows:

I. It is the intent of this sub-section to preserve vegetation consistent with protection of the land for erosion control and soil stability. Cutting and trimming of trees on individual lots in the process of constructing and maintaining principal use and accessory structures shall be limited to that necessary to accommodate proper fire protection (Firewise program principles may be used), to accommodate access to and within the property, to accommodate extension of utilities, and to accommodate required septic disposal. This sub-section does not apply to nor does it limit cutting and removal of dead or diseased trees as part of routine property maintenance.

MEMO

TO: Members of the 2nd Ad Hoc Committee on Ridge-top and Hillside Development Standards

FROM: John Lamb

DATE: November 21, 2011

SUBJECT: Suggested amendments to the Zoning Regulations and Subdivision Regulations to accommodate the recommendations of the 2nd Ad Hoc Committee on Ridge-top and hillside development standards.

The following are staff suggestions on wording of amendments to the zoning regulations and subdivision regulations to cover items discussed at the last meeting of the Ad Hoc Committee. In summary, the Ad Hoc Committee requested regulatory wording to address the following: increase in setbacks to allow application of defensible space in accordance with Firewise principles, and providing for lesser setback on steeply sloping land fronting roads; limiting of tree cutting to that necessary for proper development of land and provision of fire protection in accordance with Firewise principles; changing minimum lot size to three acres and deleting of allowance for cluster subdivision; allowing variance of road slope to 17 % in mountain development with showing of topographical constraints; and adding provisions for buffering of entrances of subdivisions onto public roads. In reviewing the zoning regulations and subdivision regulations in preparation for this memo, staff also found a possible need to amend provisions for vacation rental cabins to be consistent with amended lot size and density. The following show amended wording in bold italics, with strikeout for portions to be deleted.

ZONING

1. Increase of minimum building setback in the R-2 zone to 30 feet from side and rear property boundaries with exception for front setback from roads, in order to allow establishment of proper minimum Firewise defensible space for each property. Note that this does not require establishment of a Firewise homesite.

Present regulations Section 9.3 R-2 Rural District 2 (italics indicate sections that have been amended previously):

- G. **Setback Requirements:** All uses permitted or permitted as special exception shall comply with the following setback requirements, except as otherwise provided for in Articles 3 and 5 for lots of record and nonconforming situations.

1. *Front Setback: the minimum depth of the front building setback shall be 30 feet from any road right-of-way or easement line, with the following exceptions: (a) the lot fronts on an arterial road as shown on the Major Road Plan of Blount County, in which case the front setback shall be 60 feet for principal arterial roads and 40 feet for major arterial roads, and (b) the lot has been previously platted on a plat registered with the Blount County Register of Deeds prior to the enactment of this Resolution in which case the minimum shall be as shown on the registered plat.*

2. Rear Setback: the minimum building setback from the rear property line shall be 20 feet for the principal structure, and five feet for any accessory structure, provided that the rear setback shall be 40 feet, or greater as may be required by the Board of Zoning Appeals, for any special exception.

3. Side Setback: the minimum building setback from the side property line shall be five feet, provided that the side setback shall be 20 feet, or greater as may be required by the Board of Zoning Appeals, for any special exception.

Amendment for discussion and consideration (in bold italics):

G. Setback Requirements: All uses permitted or permitted as special exception shall comply with the following setback requirements, except as otherwise provided for in Articles 3 and 5 for lots of record and nonconforming situations.

1. *Front Setback: the minimum depth of the front building setback shall be 30 feet from any road right-of-way or easement line, with the following exceptions: (a) the lot fronts on an arterial road as shown on the Major Road Plan of Blount County, in which case the front setback shall be 60 feet for principal arterial roads and 40 feet for major arterial roads, ~~and~~ (b) the lot has been previously platted on a plat registered with the Blount County Register of Deeds prior to the enactment of this Resolution in which case the minimum shall be as shown on the registered plat, **and (c) 20 feet if the lot fronts on a local road with slope of property greater than 30 percent falling away from the road.***

2. Rear Setback: the minimum building setback from the rear property line shall be ~~20~~ **30** feet for the principal structure, and five feet for any accessory structure, provided that the rear setback shall be 40 feet, or greater as may be required by the Board of Zoning Appeals, for any special exception.

3. Side Setback: the minimum building setback from the side property line shall be ~~10~~ **30** feet, ~~provided that the side setback shall be 20 feet, or greater as may be required by the Board of Zoning Appeals, for any special exception.~~

2. Decrease minimum lot size and density to the three acre minimum or 0.33 units per acre in the R-2 zone consistent with the Conceptual Land Use Plan, and delete provisions for clustering in planned unit development to maintain greater spacing of housing units consistent with Firewise principles.

Present regulations Section 9.3 R-2 Rural District 2:

F. Minimum Lot Size and Density: unless otherwise explicitly required in subsections above, the minimum lot size per unit for development shall be five acres. For other than one unit per lot, or for planned unit development, the density shall be no greater than 0.2 units per gross acre, provided that density may be up to 0.33 units per gross acre in planned unit developments with a commensurate amount of common openspace permanently set aside and maintained.

Amendment for discussion and consideration (in bold italics):

F. Minimum Lot Size and Density: unless otherwise explicitly required in subsections above, the minimum lot size per unit for development shall be *five three acres*. For other than one unit per lot, or for planned unit development, the density shall be no greater than ~~0.2~~ *0.33* units per gross acre. ~~provided that density may be up to 0.33 units per gross acre in planned unit developments with a commensurate amount of common openspace permanently set aside and maintained.~~

3. Amend provisions for Planned Unit Development to apply only to S and R-1 zones to eliminate option for cluster subdivisions of small lots in the R-2 zone.

Present regulations:

Section 7.3. Planned Unit Development. The purposes of these provisions for planned unit development are to allow flexibility in design of a large development, and to allow mixed use where such mixed use may be reasonably designed and integrated into a large development. The following shall apply:

A. The minimum size of a planned unit development shall be five acres under unified ownership prior to development.

B. A site plan shall be required as provided in Section 7.2.

C. The use regulations of the zone shall apply to any planned unit development, with special exceptions for mixed uses to be integrated in the planned unit design.

D. The density, lot size and setback requirements of the district shall apply to any planned unit development, provided that such requirements may be varied under the

following conditions and limitations: the overall required density of development by use is maintained; no lot is less than one-half the minimum applicable lot size by use within the district; setbacks on the perimeter of the planned unit development are maintained at district minimum or greater with no variation; and no principal structure is located nearer than ten feet to any other principal structure if such structures are detached.

E. Any common elements and/or any common areas shall be maintained by a property owners association to be formed at the time of planned unit development approval, or by the owner or management authority of the planned unit development if such development does not involve separate ownership of lots or structures.

Amendment for discussion and consideration (only introductory paragraph shown as changed):

Section 7.3. Planned Unit Development. The purposes of these provisions for planned unit development are to allow flexibility in design of a large development, and to allow mixed use where such mixed use may be reasonably designed and integrated into a large development. The following shall apply *only to the S-Suburbanizing and R-1-Rural District 1 zones*:

4. Amend provisions for vacation rental cabins to conform to amended density in the R-2 zone.

Present regulations:

***Section 7.11 Design Standards for Vacation Rental Cabins.** It is the intent of this Resolution to allow vacation rental cabins as a supporting activity to the tourist industry in the County. In this regard, the following shall apply:*

A. In the R-1 – Rural District 1 zone, the maximum density of vacation rental cabins shall be no greater than for single family density in the zone. In the R-2 – Rural District 2 zone, the maximum density of vacation rental cabins shall be no greater than 0.5 units per acre (one unit per two acres) on average over a single tract or development.

B. Up to 10 vacation rental cabins may be developed on a gravel surface road or drive. Any development of greater than 10 vacation rental cabins shall meet all internal improvement requirements of multifamily developments in Section 7.6.

C. Up to two vacation rental cabin units on a single lot or tract may be permitted directly by the Building Commissioner. Three or more vacation rental cabin units on a single tract shall require a site plan under provisions in Section 7.2, with the exception that if the site is in the R-2 – Rural District 2 zone, the topographic contour interval may be reduced to those shown on the USGS quad sheet covering the site, so long as such contours will provide adequate information in determining and assessing drainage requirements and other design components such as roads and building sites.

D. *Notwithstanding provisions of Section 7.2, the scale of the site plan required for development of vacation rental cabins in this Section shall be no less than 1 inch = 50 feet.*

Amendment for discussion and consideration (only subsection A shown as changed):

A. *In the R-1 – Rural District 1 zone **and the R-2-Rural District 2 zone**, the maximum density of vacation rental cabins shall be no greater than for single family density in the zone. ~~In the R-2 – Rural District 2 zone, the maximum density of vacation rental cabins shall be no greater than 0.5 units per acre (one unit per two acres) on average over a single tract or development.~~*

5. Add provision that cutting and trimming of trees in the R-2 zone shall be limited to that required: to allow construction and maintenance of a Firewise home or principal structure along with accessory structures: to accommodate access, utilities and septic treatment; and to accommodate cutting of dead or diseased trees to maintain property.

No present regulations.

Amendment for discussion and consideration (new subsection I in Section 9.3):

- I. It is the intent of this sub-section to preserve vegetation consistent with protection of the land for erosion control and soil stability. Cutting and trimming of trees on individual lots in the process of constructing and maintaining principal use and accessory structures shall be limited to that necessary to accommodate proper fire protection (Firewise program principles may be used), to accommodate access to and within the property, to accommodate extension of utilities, and to accommodate required septic disposal. This sub-section does not apply to nor does it limit cutting and removal of dead or diseased trees as part of routine property maintenance.

SUBDIVISION REGULATIONS

1. Amendment to allow for lesser setbacks from roads.

Present regulations:

6.04.1 (b) The minimum depths of building setback lines for lots platted for all purposes shall be as follows:

1) Subject to the additional requirements for corner lots in Subsection 4 below, the setback distance from each adjoining street to the building setback line shall be as follows:

CLASSIFICATION OF ADJOINING STREET (MAJOR ROAD PLAN)	MINIMUM DEPTH OF BUILDING SETBACK LINE FROM PROPERTY LINE OF THAT STREET
Principal Arterial	60 feet
Major Arterial	40 feet
Other minor roads	30 feet

The Planning Commission may approve a lesser distance where a wall, high fence, or other substantial separation is included in the platted improvements to the subdivision adjoining an arterial or collector street, provided that no infringement is made upon sight lines at intersections established by Subsection 4 below.

Amendment for discussion and consideration (only last paragraph amendment shown).

The Planning Commission may approve a lesser distance where a wall, high fence, or other substantial separation is included in the platted improvements to the subdivision adjoining an arterial or collector street, provided that no infringement is made upon sight lines at intersections established by Subsection 4 below. ***Lesser distance shall be accommodated consistent with lesser distances allowed under provisions of the Zoning Resolution of Blount County, Tennessee.***

2. Increase from 15% to 17% variance limit for road grade in hillside development.

Present regulations:

6.02.3 Design Standards for Streets:

e) Vertical alignment of streets. Grades on arterials, collectors, and minor industrial streets shall not exceed seven (7) percent; grades on major residential (R-2) and minor commercial streets shall not exceed ten (10) percent; grades on all other roads shall not exceed thirteen (13) percent. Minimum road grades shall not be less than 2% to promote positive drainage on all proposed road sections. All roads shall be constructed with a crown with a minimum of 2% fall from the center crown to the curb or edge of pavement. Road grades at intersections shall not exceed 4% for the first 50 feet from intersection of centerlines. Variances

shall only be considered to road grade for physical limitations and only for short sections, less than 200 feet (total), and only to a maximum grade of 15% only when hillside development standards for mountain developments apply.

Amendment for discussion and consideration (only last sentence amendment shown).

Variations shall only be considered to road grade for physical limitations and only for short sections, less than 200 feet (total), and only to a maximum grade of ~~15%~~ **17 %** only when hillside development standards for mountain developments apply, **where severe topographical constraints exist as shown by engineering analysis supplied by the developer.**

Present regulations:

9.04.1 Road Design:

a) Road Grades shall not exceed 13% slope, and road intersection grades shall not exceed 4% slope within 50 feet of any road intersection, provided that the Planning Commission may vary the 13% slope requirement up to 15 % over limited segments of road, of no greater than 200 linear feet, where severe topographical constraints exist.

Amendment for discussion and consideration

a) Road Grades shall not exceed 13% slope, and road intersection grades shall not exceed 4% slope within 50 feet of any road intersection, provided that the Planning Commission may vary the 13% slope requirement up to ~~15%~~ **17 %** over limited segments of road, of no greater than 200 linear feet, where severe topographical constraints exist **as shown by engineering analysis supplied by the developer.**

3. Amendment to exclude cluster development option in the R-2 zone consistent with amendment of the zoning regulations for the same subject.

Present regulations Section 6.02.5(a)(3):

Type 3 – Preserved Open Space (Cluster) Development: A Type 3 subdivision may be developed at an overall density of three acres per dwelling unit, with the stipulation that at least one-half of the gross land area be preserved as open space. The restriction governing the open space shall be appropriate for each specific development and must be approved by the planning commission and referenced on the plat. A preliminary plat containing all information for preliminary plat submittal is required (See Section 5). A Property Owner’s Association (POA) must be established to insure continuing

maintenance of the road(s), drainage and other improvements. The POA documentation must accompany the final plat and be recorded in the Register of Deeds Office along with the final plat and referenced in the deeds for separate lots. The minimum road standards are the same for Type 2 (Low Density) developments. All road standards and maximum road grades and POA requirements are the same as above for Type 2 developments.

Amendment for discussion and consideration.

Type 3 – Preserved Open Space (Cluster) Development: *These provisions shall not apply within the R-2-Rural District 2 zone as defined and delineated in the Zoning Resolution of Blount County, Tennessee.* A Type 3 subdivision may be developed at an overall density of three acres per dwelling unit, with the stipulation that at least one-half of the gross land area be preserved as open space. The restriction governing the open space shall be appropriate for each specific development and must be approved by the planning commission and referenced on the plat. A preliminary plat containing all information for preliminary plat submittal is required (See Section 5). A Property Owner’s Association (POA) must be established to insure continuing maintenance of the road(s), drainage and other improvements. The POA documentation must accompany the final plat and be recorded in the Register of Deeds Office along with the final plat and referenced in the deeds for separate lots. The minimum road standards are the same for Type 2 (Low Density) developments. All road standards and maximum road grades and POA requirements are the same as above for Type 2 developments.

4. Addition of provisions for buffering of development entrance from public roads and limiting cutting of trees in process of land development.

No present regulations.

Amendment for discussion and consideration – add new Section 9.04.2.

9.04.2 It is the intent of these Subdivision Regulations to preserve vegetation consistent with protection of the land for erosion control and soil stability in hillside development. Cutting and trimming of trees in the process of development of the land for subdivision shall be limited to that necessary to accommodate proper fire protection (Firewise program principles may be used), to accommodate access to and within the property, and to accommodate extension of utilities. To the extent practicable and consistent with proper sight distance, trees shall be preserved at entrance to a planned subdivision

intersecting with a public road. This sub-section does not apply to nor does it limit cutting and removal of dead or diseased trees as part of routine property maintenance.

RECOMMENDATION ON RIDGE-TOP REGULATIONS

INTRODUCTION

With the help of the tax-assessors office the Ad-Hoc Committee on Ridge-Top Regulations was able to identify properties that could have an impact on visibility from lower elevations. By use of large-scale property division maps, we were able to pin-point how much properties would be affected by any type of regulations. These large scale maps of the affected areas are posted on the wall in room 433 for your review.

The next step we took was to see what best approach method to accomplish our task of protecting one of Blount County's assets. Here are our findings and recommendations:

- (1) Most of the ridge-tops from Walland Gap(highway 321) South is taken up by the Foothills Parkway of which no access can be granted, except "Top of The World" access, which is not visible. Most tracts of property below and facing the Maryville side of the Foothills Parkway has already been developed or does not have infrastructure to support any large scale development. Access to these areas would be questionable.
- (2) The area to the North side of Walland Gap(mostly the "three sisters tract" is deed-restricted. A variance from the BZA supports this, as housing has been approved on the Walland side and not visible from highway 321.
- (3) Most of the properties on both sides of highway 321 from Walland to Townsend already subdivided or protected as no access can be granted from the other section of the Foothills Parkway(under construction) to the Sevier Co. boundary.
- (4) After discussions with the Building Codes Dept., things such shiny roofs, downlighting, color of building, height of building, should not be addressed at this time. TCA 13-7-102 states that "all such regulations shall be uniform for class or kind of buildings throughout any such district, but the regulations in one district may differ from those in other districts. The reasons for having different regulations would have to meet the requirement of being for the health, safety and welfare of the affected area. "visually-subordinate" is not tied to any of the reasons for different regulations. It is questionable as to its standing if tested in a court of law. Since most of these concerns are addressed in the preceding paragraphs and in our recommendations, there is no need for any new or different regulations or codes. We do, however, recommend the following:
- (5) Do not create a separate zone for Ridge-Tops.
- (6) Include in Section 9
 - (a) Prohibit clear-cutting of trees (use guidelines as recommended by State of Tennessee's "Firewise" program.
 - (b) Require use of low-imp;act roads (explanation attached)
 - (c) Minimum of 20 ft. set-back on all buildings from property lines and roads
 - (d) Require "Buffers" between sub-divisions and public roads, where applicable.

Gordon Wright, Sr.
Jerry Roddy
David Caldwell
Don Headrick
Clifford Walker
Richard Maples

Low Impact Road Construction

Low impact road construction is:

1. Simply following the contours of the terrain where possible.
2. Vertical cuts and 1-1/2 to 1 fills. Vertical cut to be made in stable materials such as rock, soft shale, etc. Unstable areas should be enhanced by rock gabions, landscape boulders, ground cover or vegetation, in addition to other methods used for soil stabilization.
3. Road grades higher than 16% should be allowed for short distances.

All the above will improve the visual impact of the road construction, because it will reduce the disturbed area as much as 75% in some cases. It also increases the stability of the subgrade making the road construction stronger.

Blount County Schools

2010-2011

Comparative System Study

BCS vs. 8 similar school systems

Our mission is to maximize the academic potential of every child in a safe and personalized environment. BCS will graduate students who are college and career ready and prepared to meet the challenges of the twenty-first century workplace.

Blount County Schools

2010-2011

The Blount County School system is a great value because we are extremely efficient with the resources we have and our student performance shows the effectiveness we produce with our resources.

Our mission is to maximize the academic potential of every child in a safe and personalized environment. BCS will graduate students who are college and career ready and prepared to meet the challenges of the twenty-first century workplace.

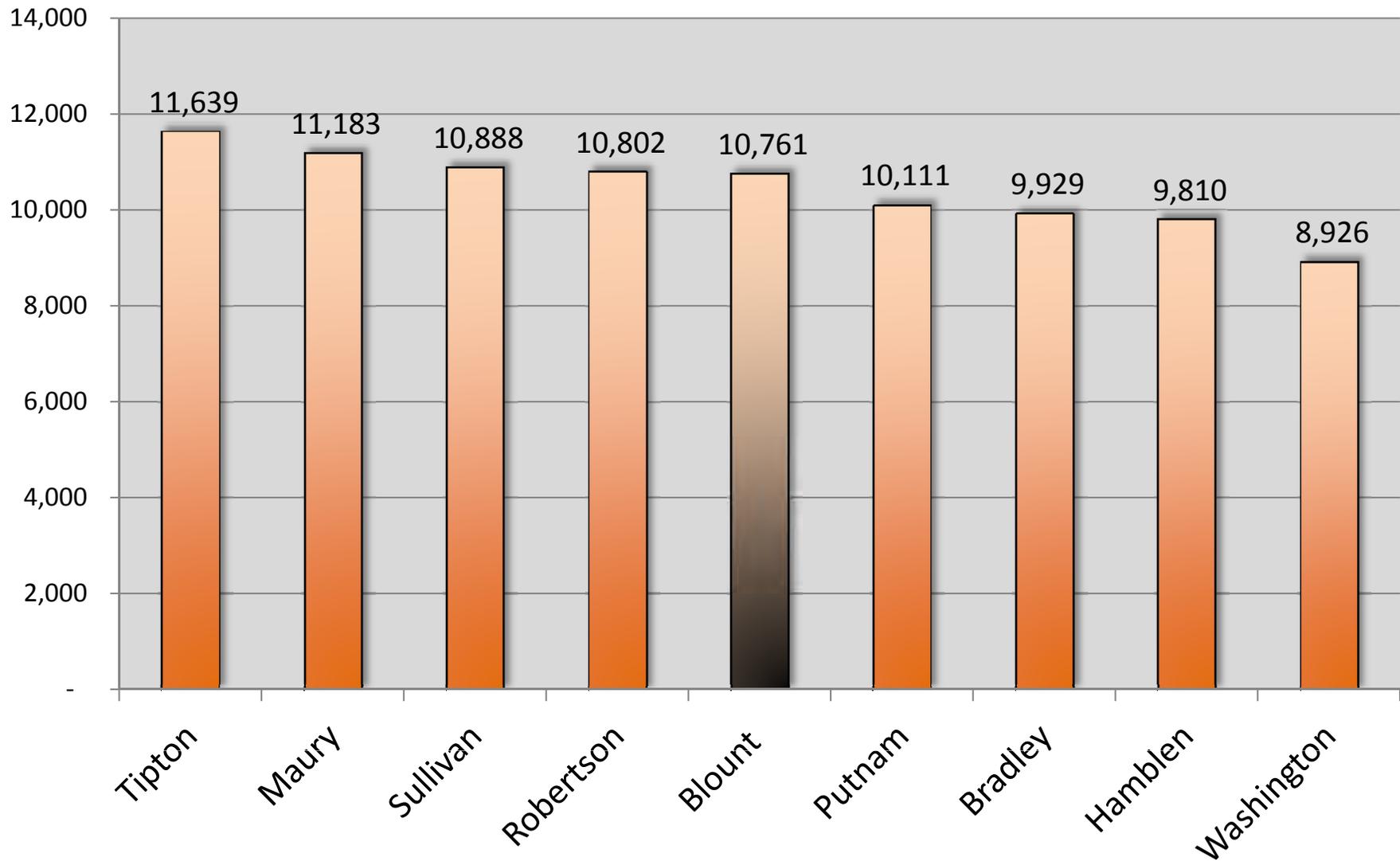
Purpose

- Look at our system's efficiency and effectiveness
- Present a comparative analysis with eight school systems closest to BCS in overall student population and demographics
- Examine Blount County's ROI as it relates to \$\$ invested vs. student performance
- Identify Strengths and Weaknesses
- Provide a contextual foundation for future budget planning and discussion

Comparative System Study

SCHOOL SYSTEM COMPARISON

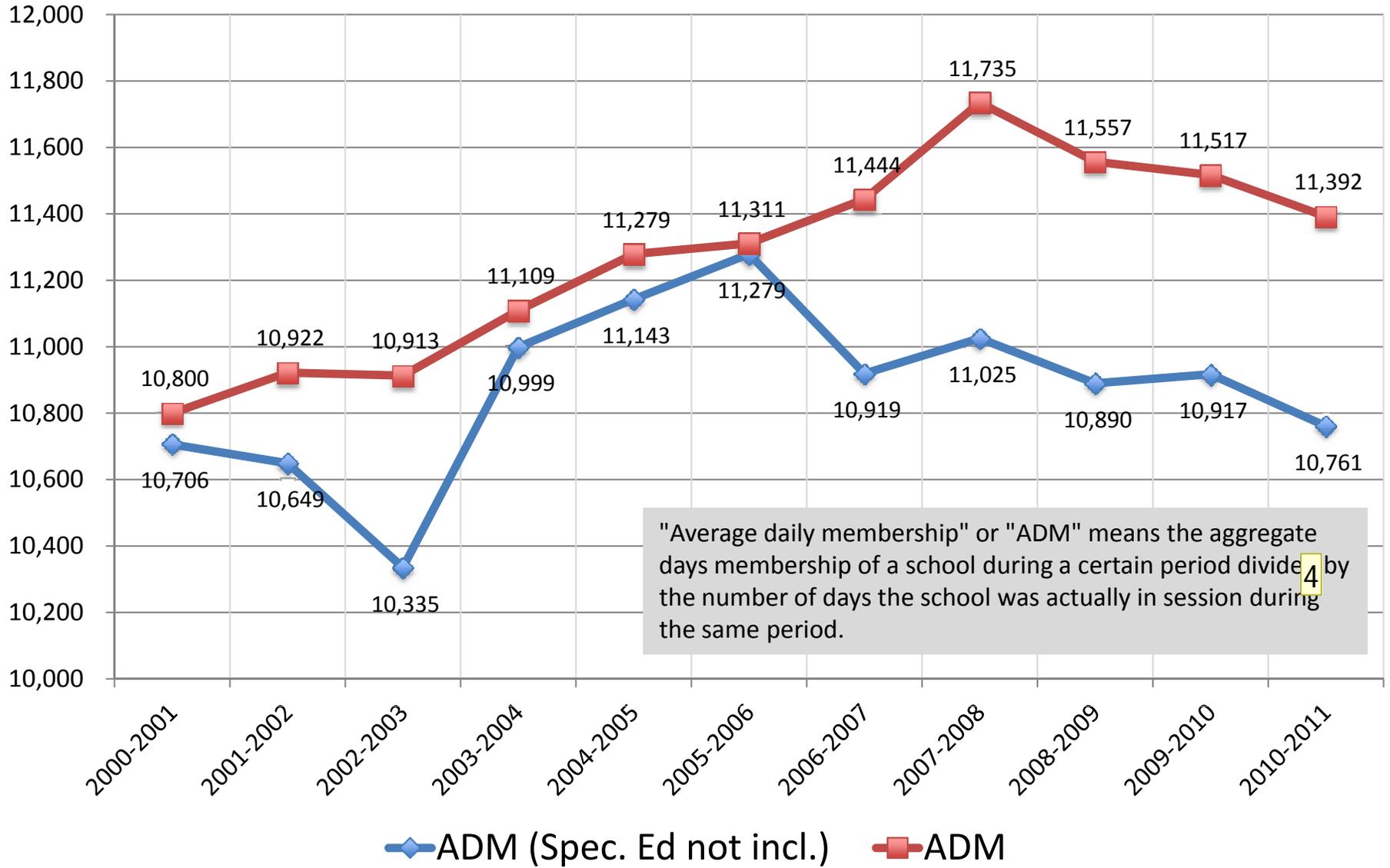
Number of Students (ADM 2010-2011)



ADM does not reflect the population of SWD students.
SWD in BCS (2010-2011) = 13.8% of student enrollment.

Source: TN Report Card

Average Daily Membership - BCS



Source: TN Report Card (blue line)
 BCS Star Student F1 number (red line)

Slide 6

4

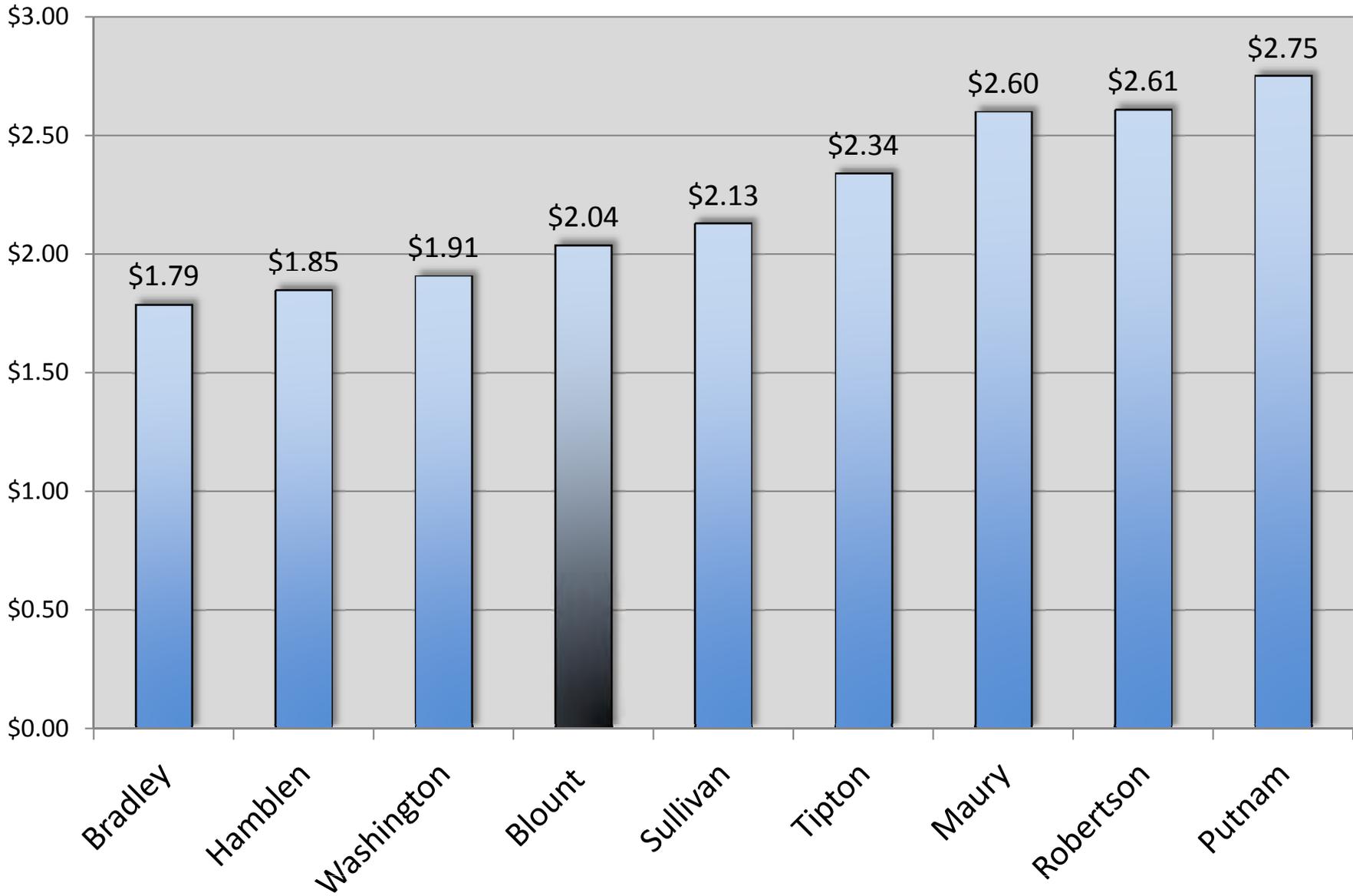
I'm not sure if this is the definition you are looking for. I can't seem to find a definition that is not from a legal dictionary.

Donny Anderson, 11/28/2011

Comparative System Study

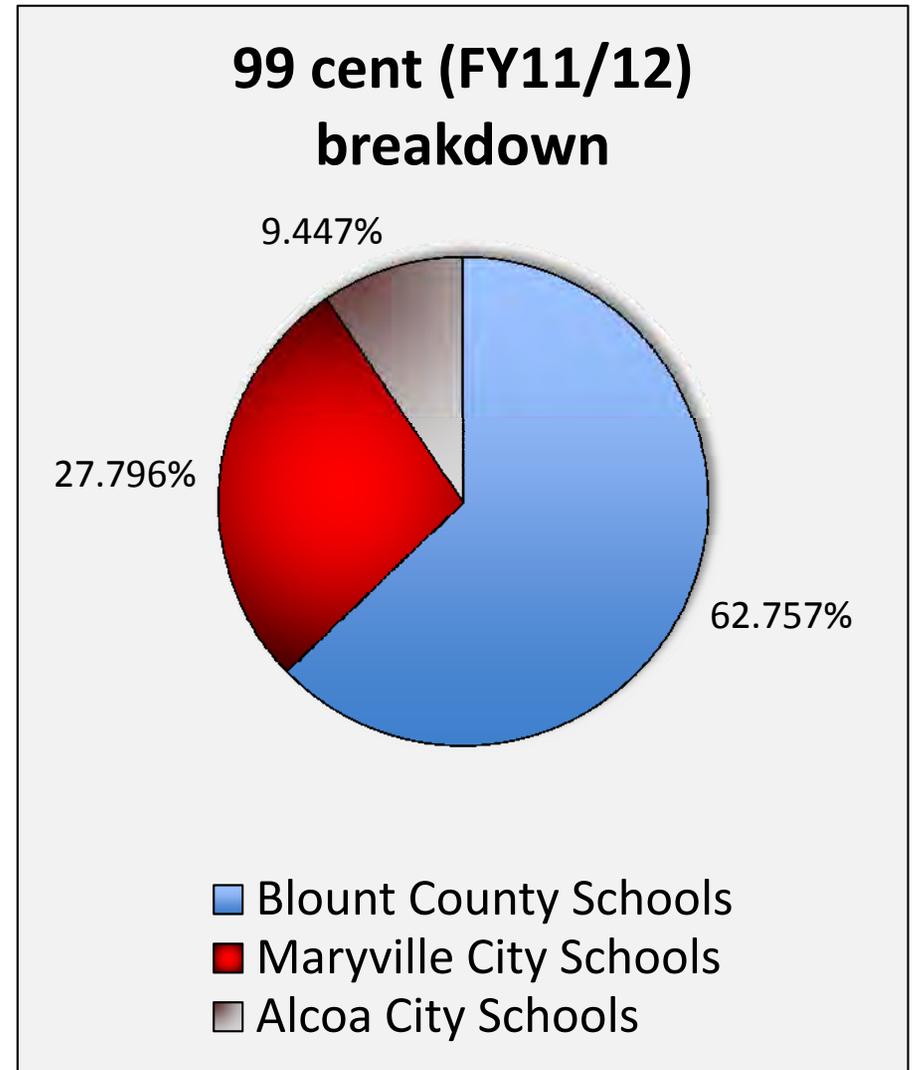
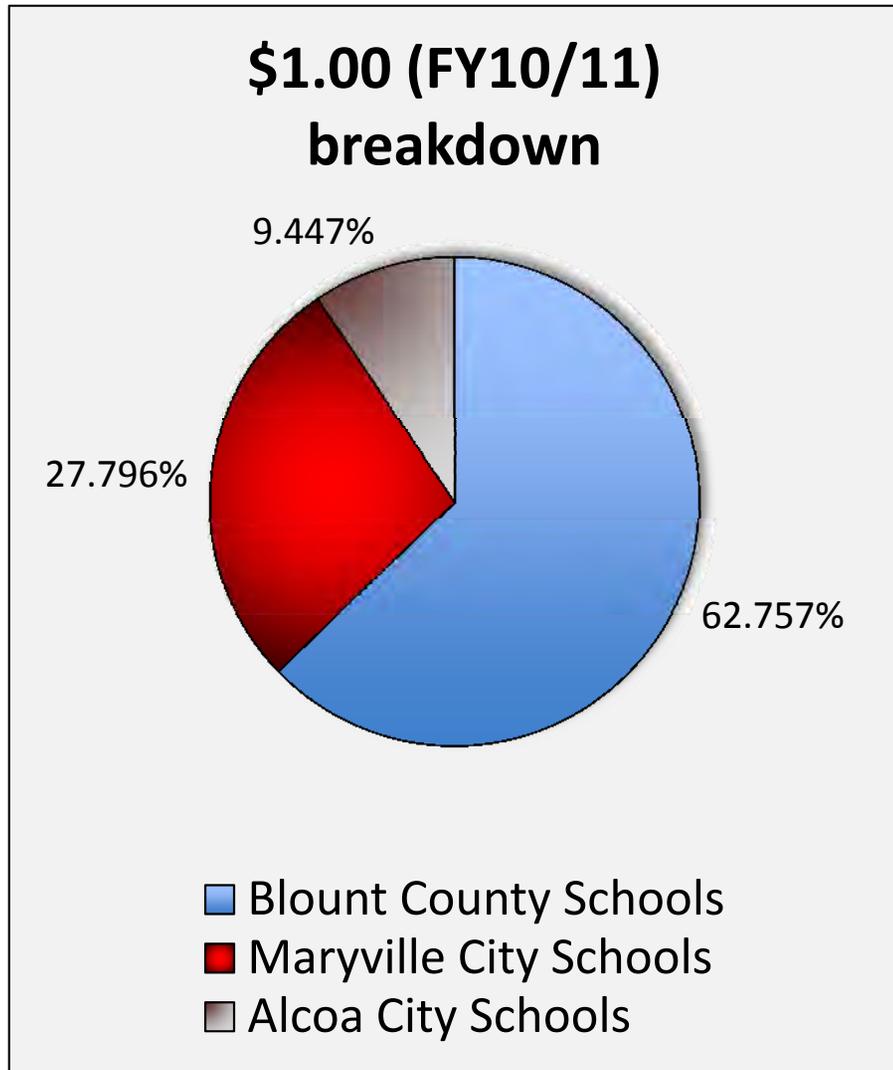
SCHOOL SYSTEM FUNDING

Total Property Tax Rates (2010-2011)

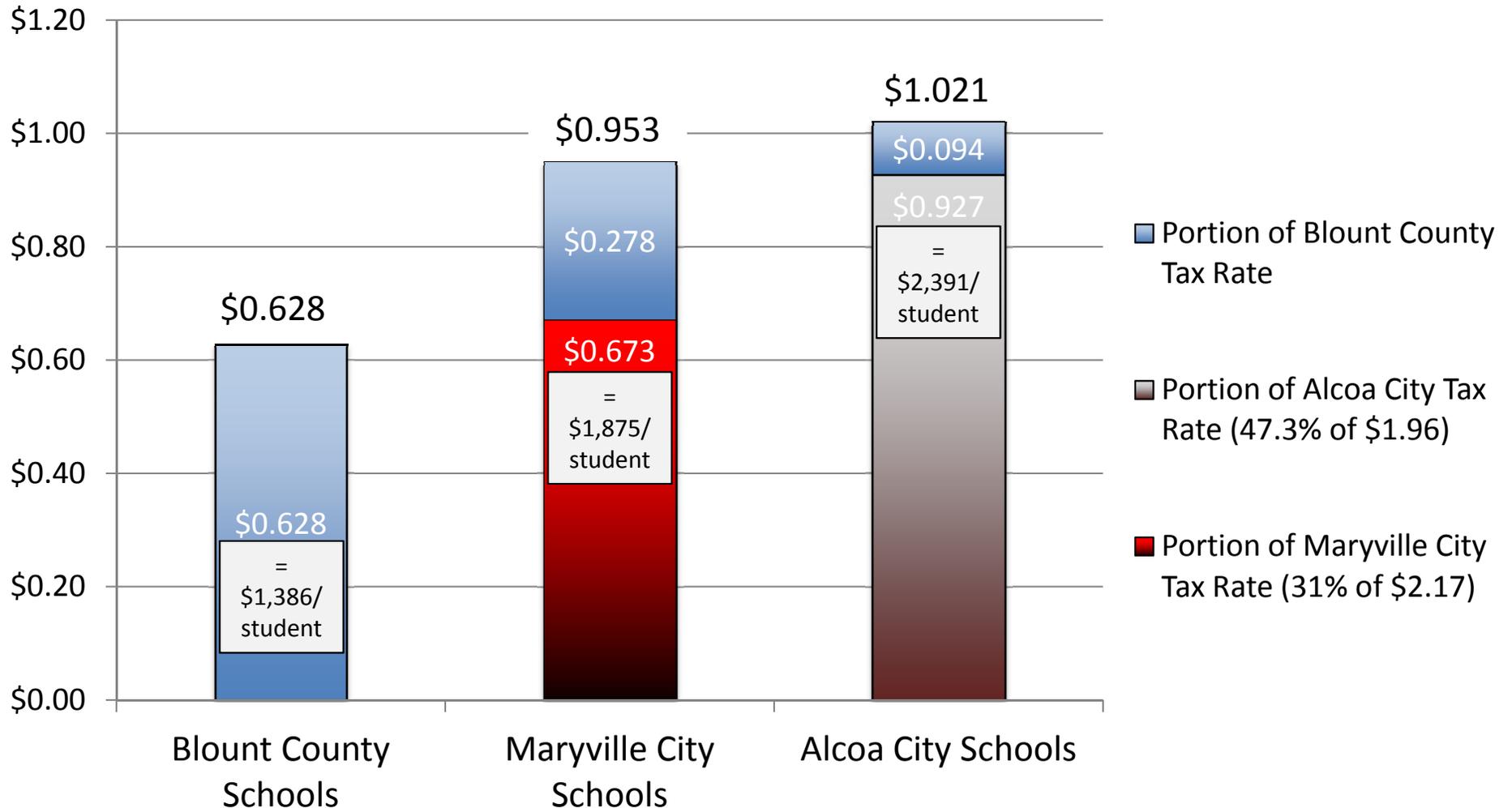


Source: TEA: TN School Systems Profile Rankings

Portioning of the Blount County School Fund from the FY10/11 Tax Rate

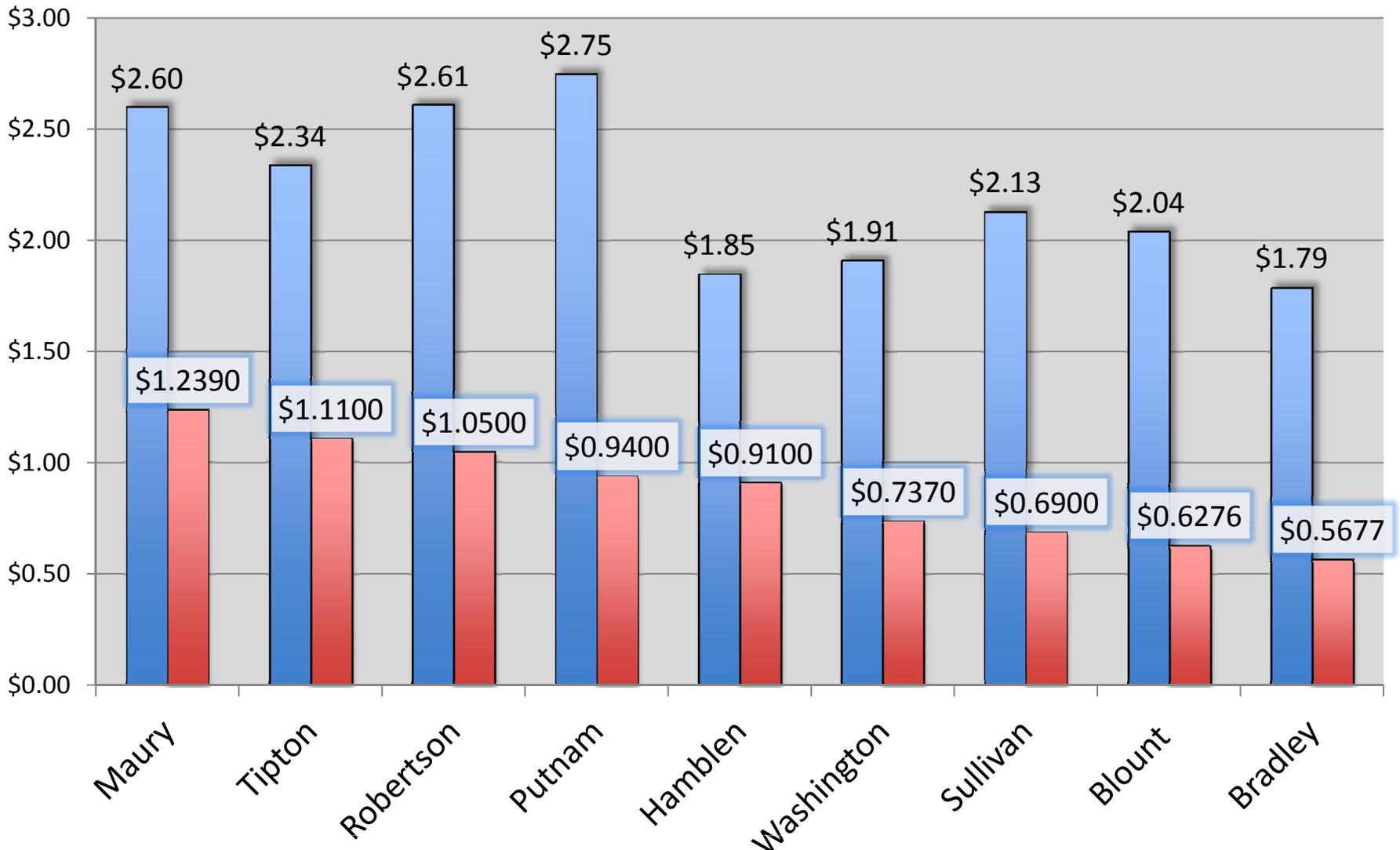


Systems of Blount County Funding – County + City FY 10/11 Tax Rates



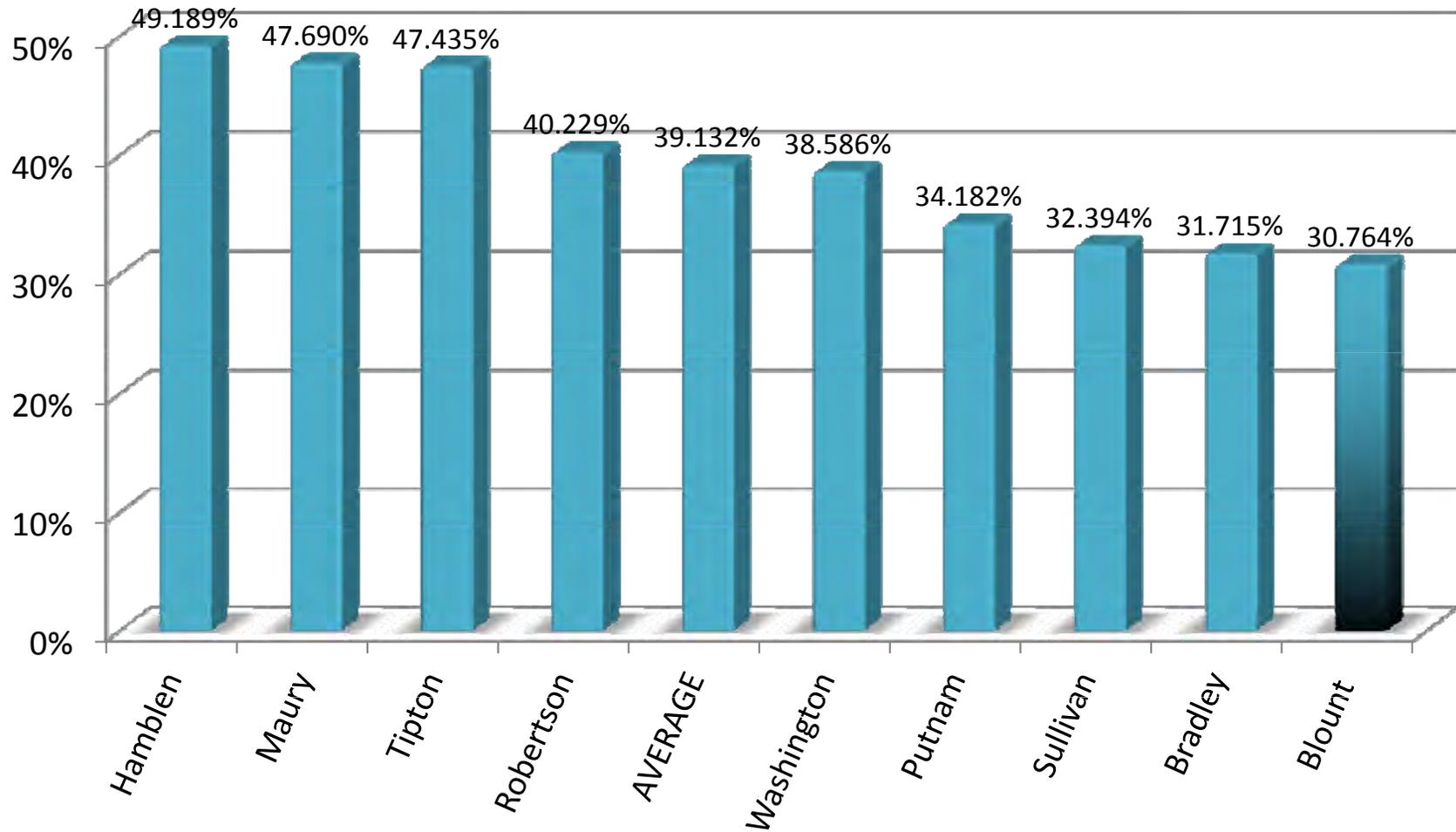
Source: Budget reports from City of Alcoa/Maryville websites

Total Property Tax Rates to General Purpose School Fund (FY10/11)

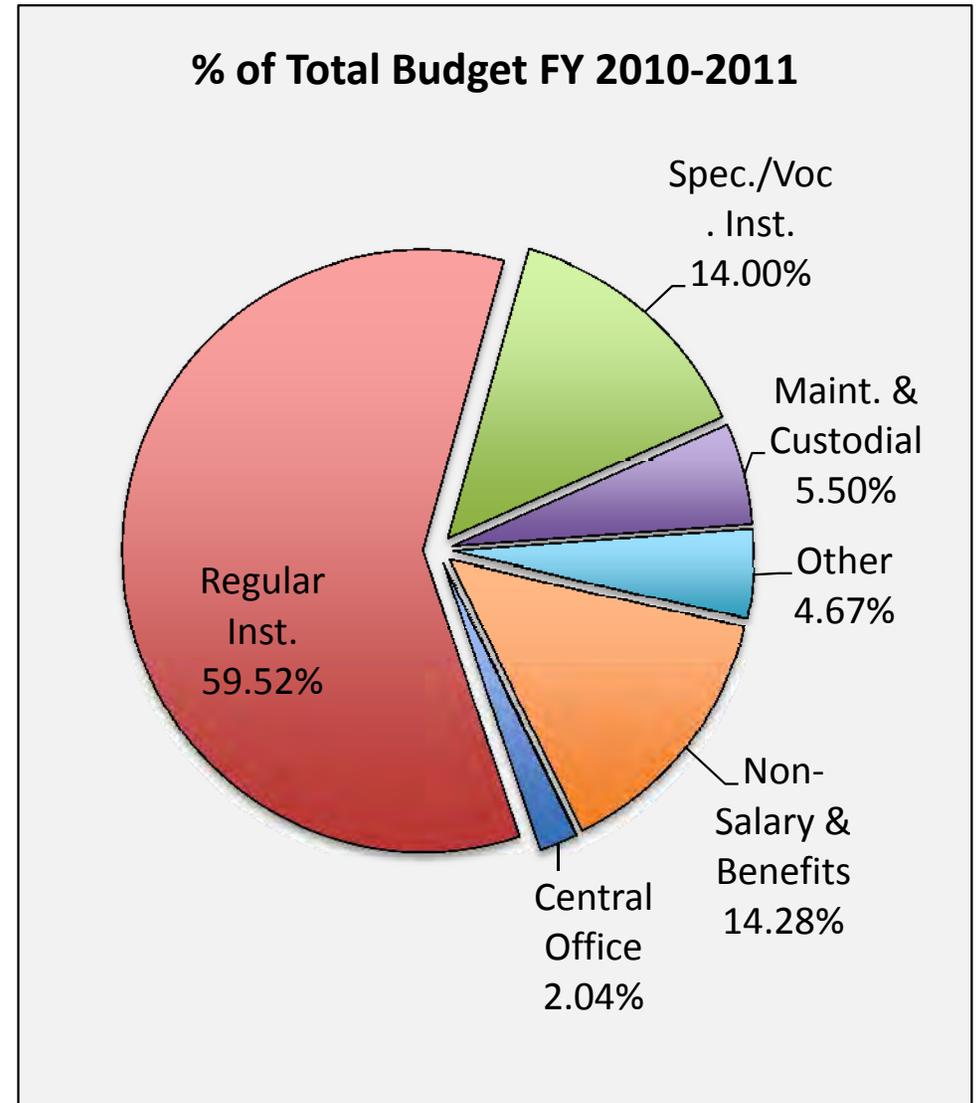
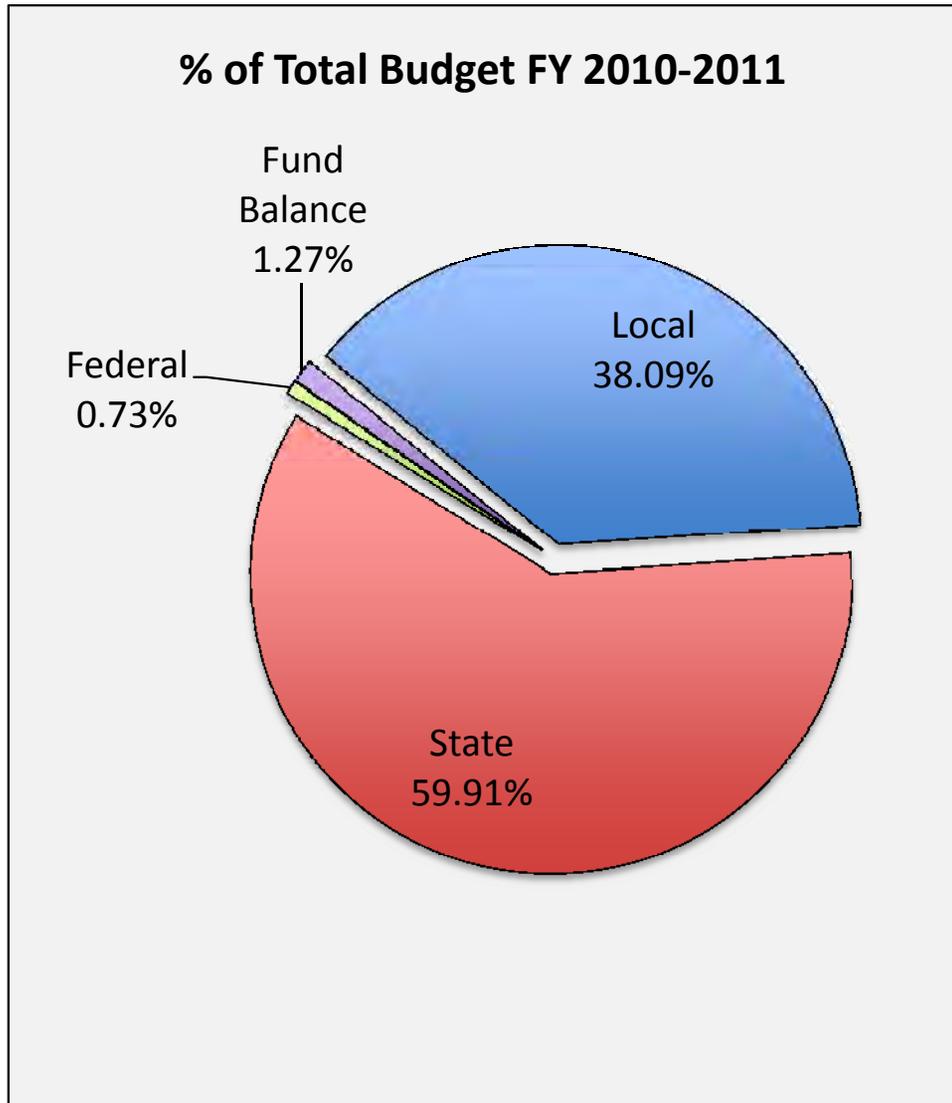


Source: TEA: TN School Systems Profile Rankings

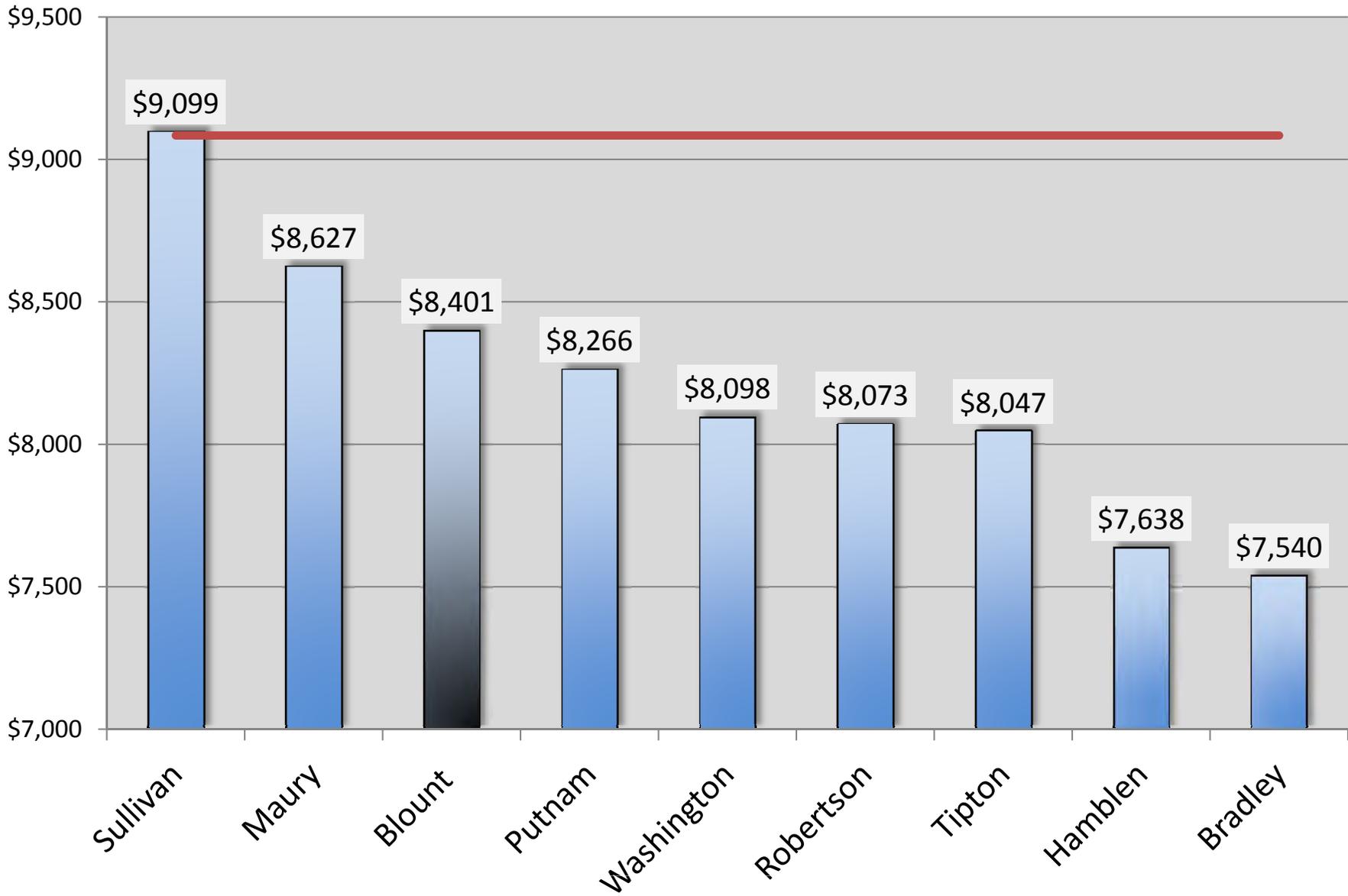
% of School's Tax Rate to Total Property Tax Rate (FY10/11)



General Purpose School Fund Revenues (FY 10/11) to Salaries Benefits by Function (FY 10/11)

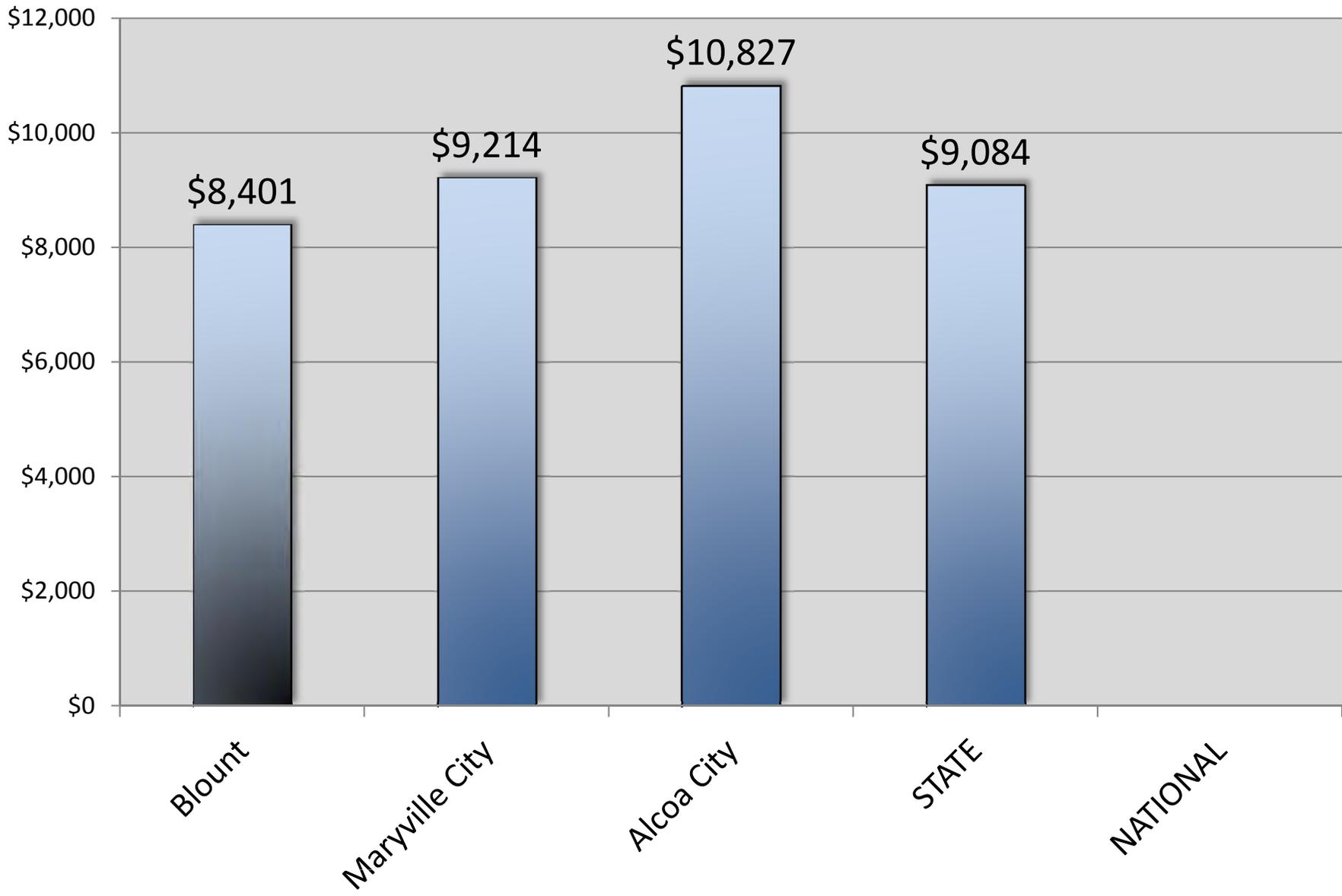


Current Expenditures per Pupil in ADA (2010-2011) — State Avg. (\$9,084)



Source: 2011 Report Card

Current Expenditures per Pupil in ADA (2010-2011)

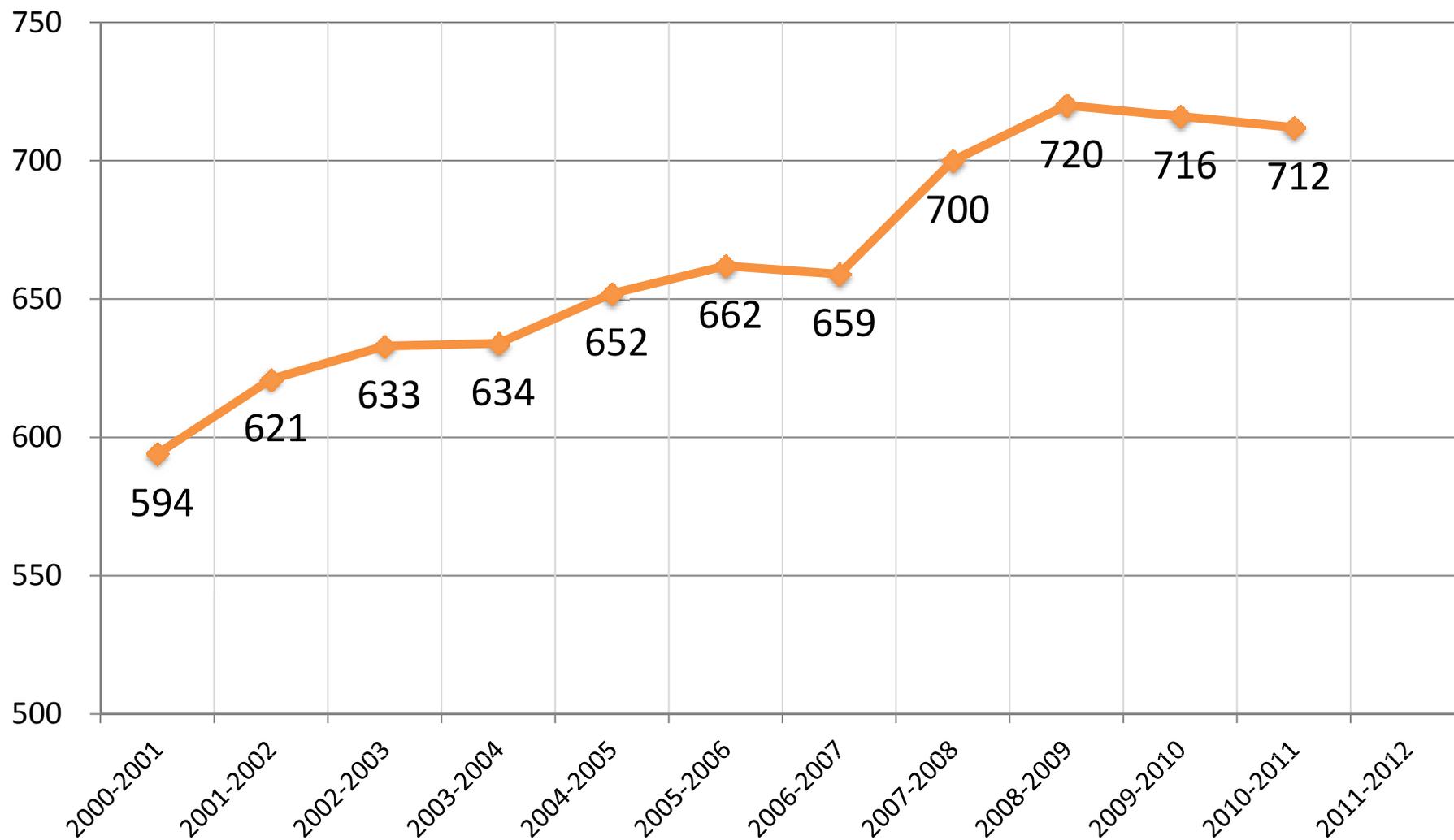


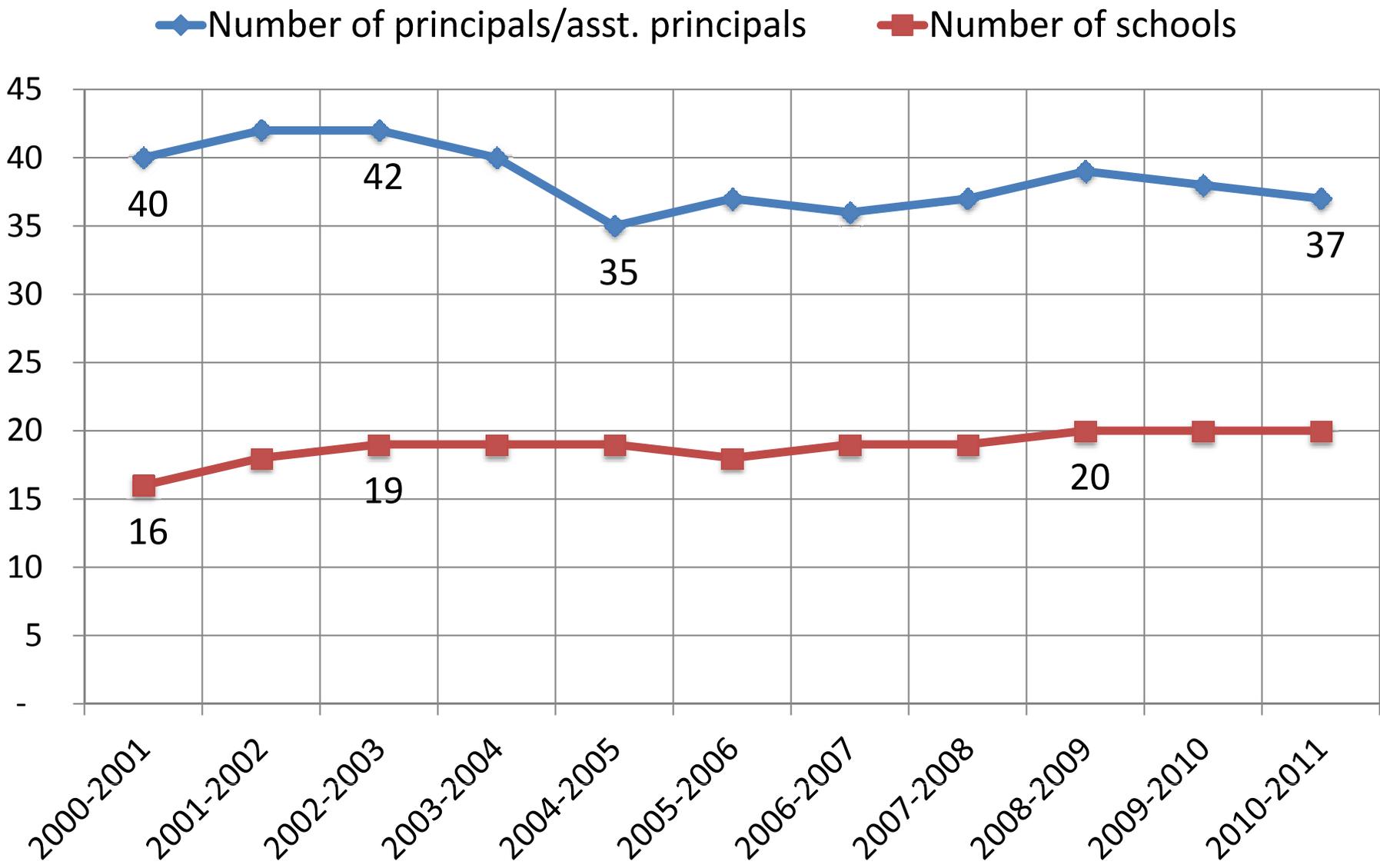
Source: 2011 Report Card

Comparative System Study

TEACHERS AND PRINCIPALS

Number of Teachers - BCS





Changing Role of Principal

Old Evaluation Model

- 102 Teachers at HHS
- 180 Evaluations performed
- Estimated average time per evaluation was 1 hour from start to finish
- Estimated 180 hours performed over 150 instructional days
- Each principal had 36 hours of evaluation

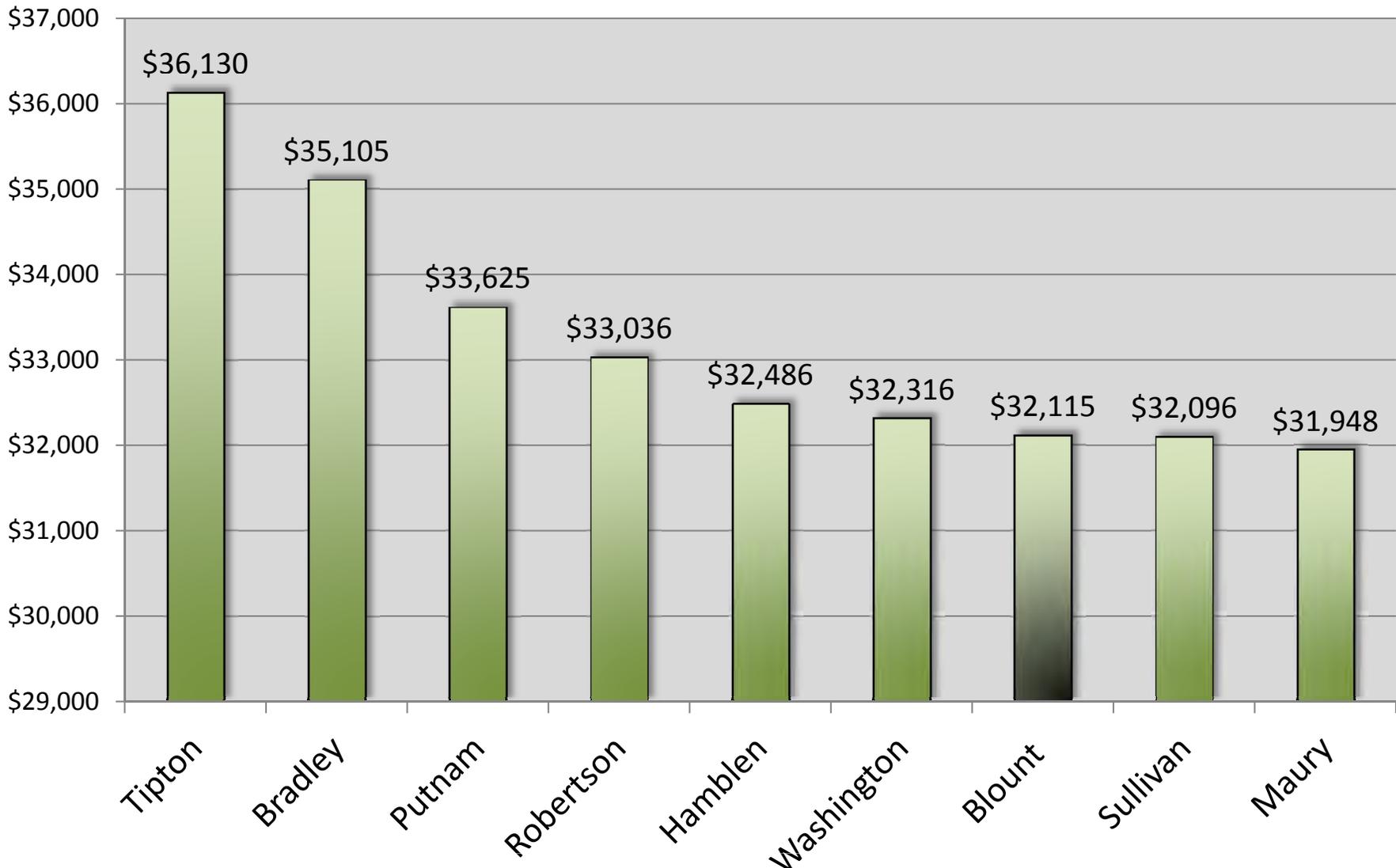
New Evaluation Model

- HHS has 102
- 450 Evaluations needed
- Estimated average per evaluation is 3 hours from start to finish
- Estimated 1350 hours of evaluations over 150 instructional days
- Each principal has 270 hours of evaluations

Significant Increased Demands

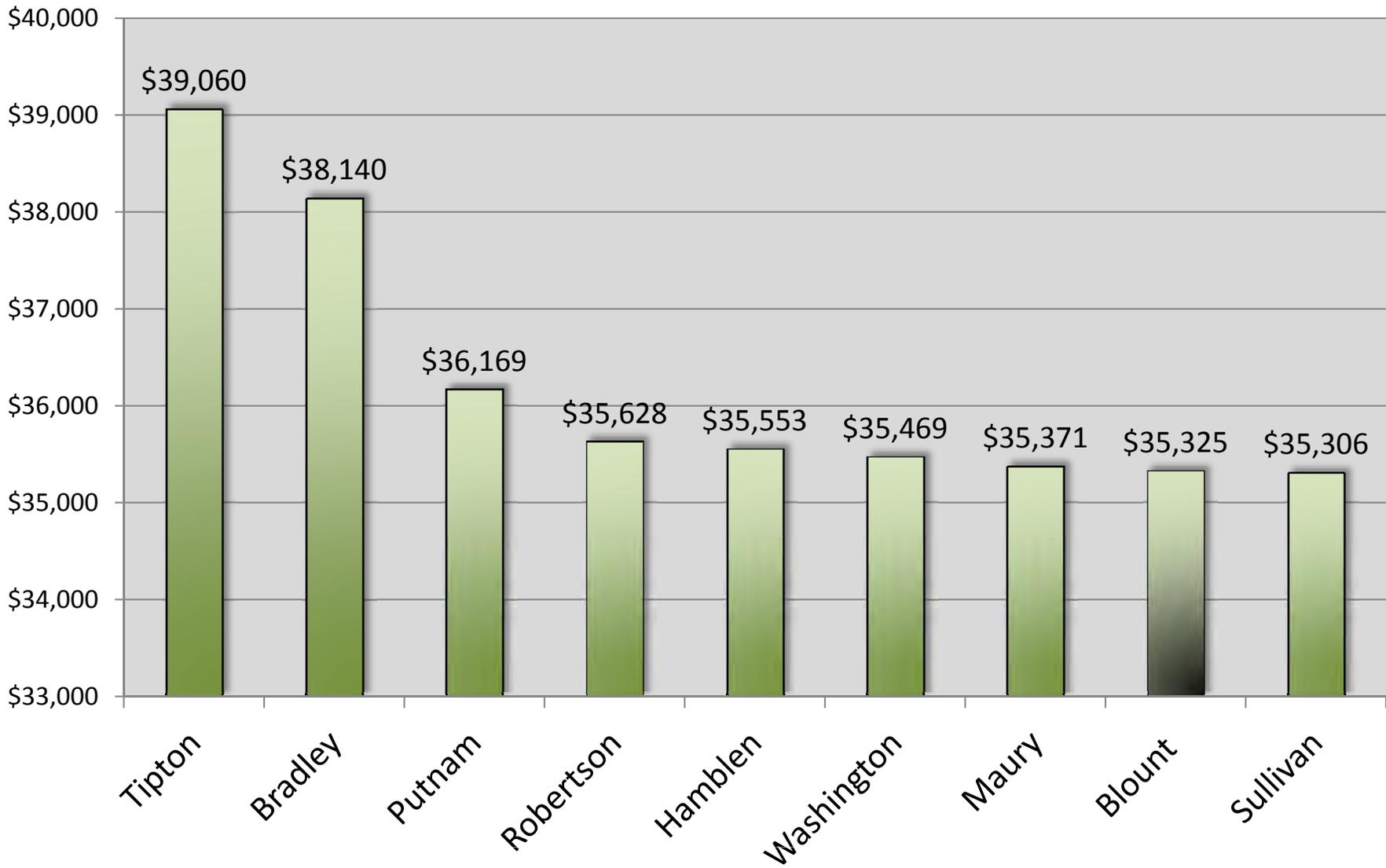
- MSE 871% increase in time on evaluation
- HMS 1357% increase in time on evaluation
- HHS 750% increase in time on evaluation
- On average principals across the district have an **990%** increase in time on evaluation
- Principals continue to be held accountable for all other daily operations and overall school management and instructional leadership at each school site

Starting Salaries of Classroom Teachers (2010-2011) Bachelor's Degree Minimum



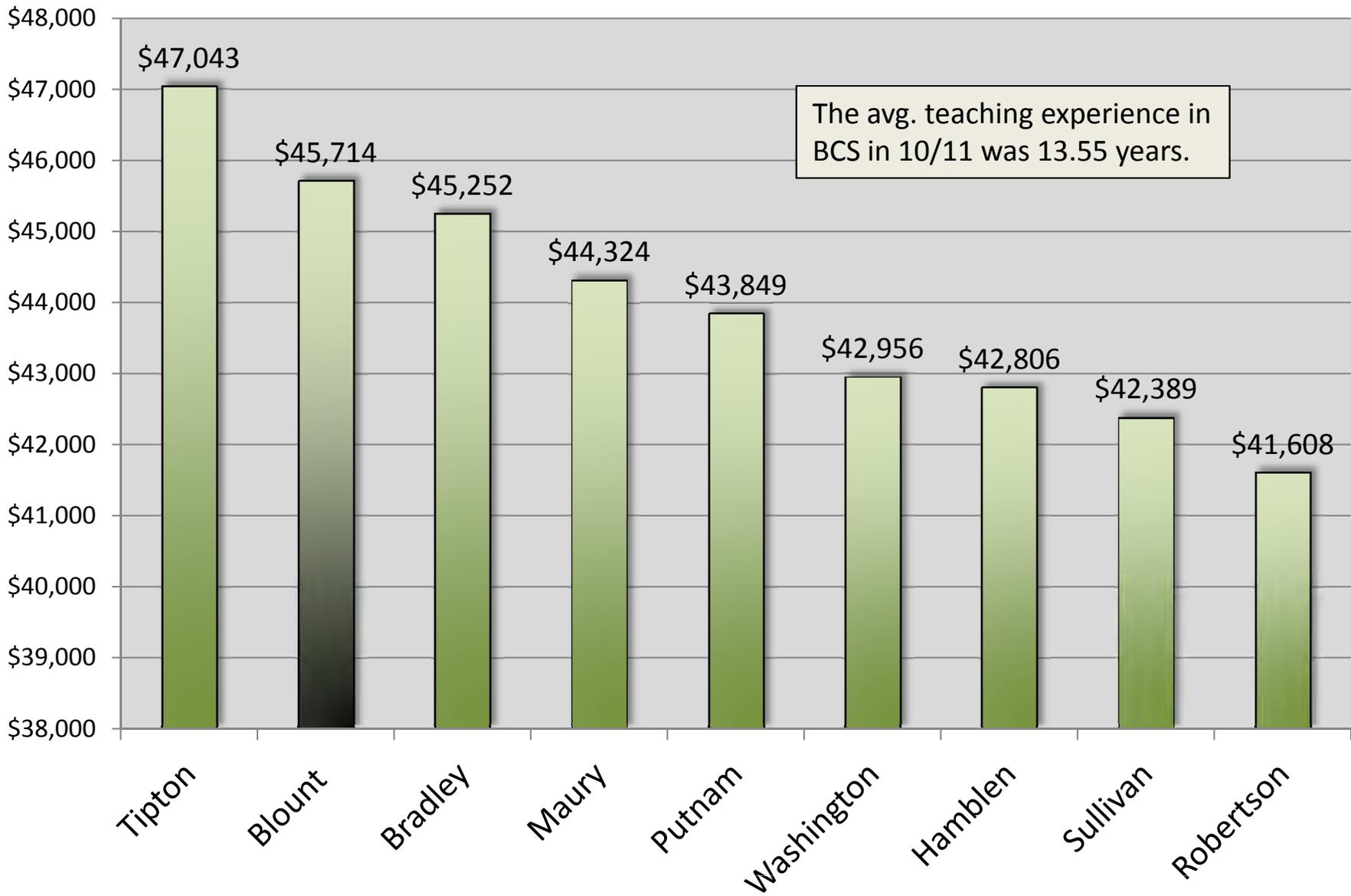
Source: TEA: TN School Systems Profile Rankings

Starting Salaries of Classroom Teachers (2010-2011) Master's Degree Minimum



Source: TEA: TN School Systems Profile Rankings

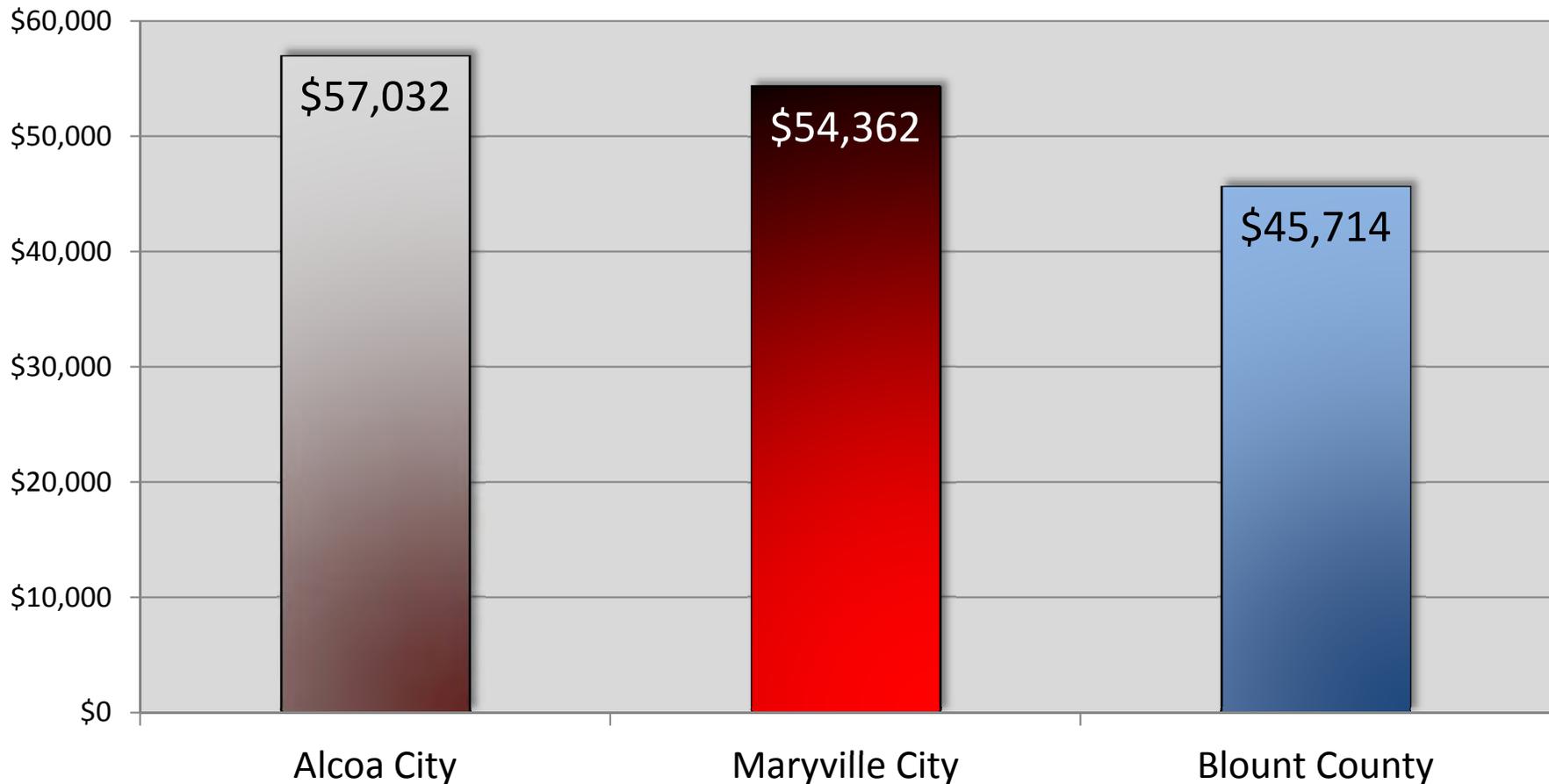
Average Salaries of Classroom Teachers (2010-2011)



Source: TEA: TN School Systems Profile Rankings

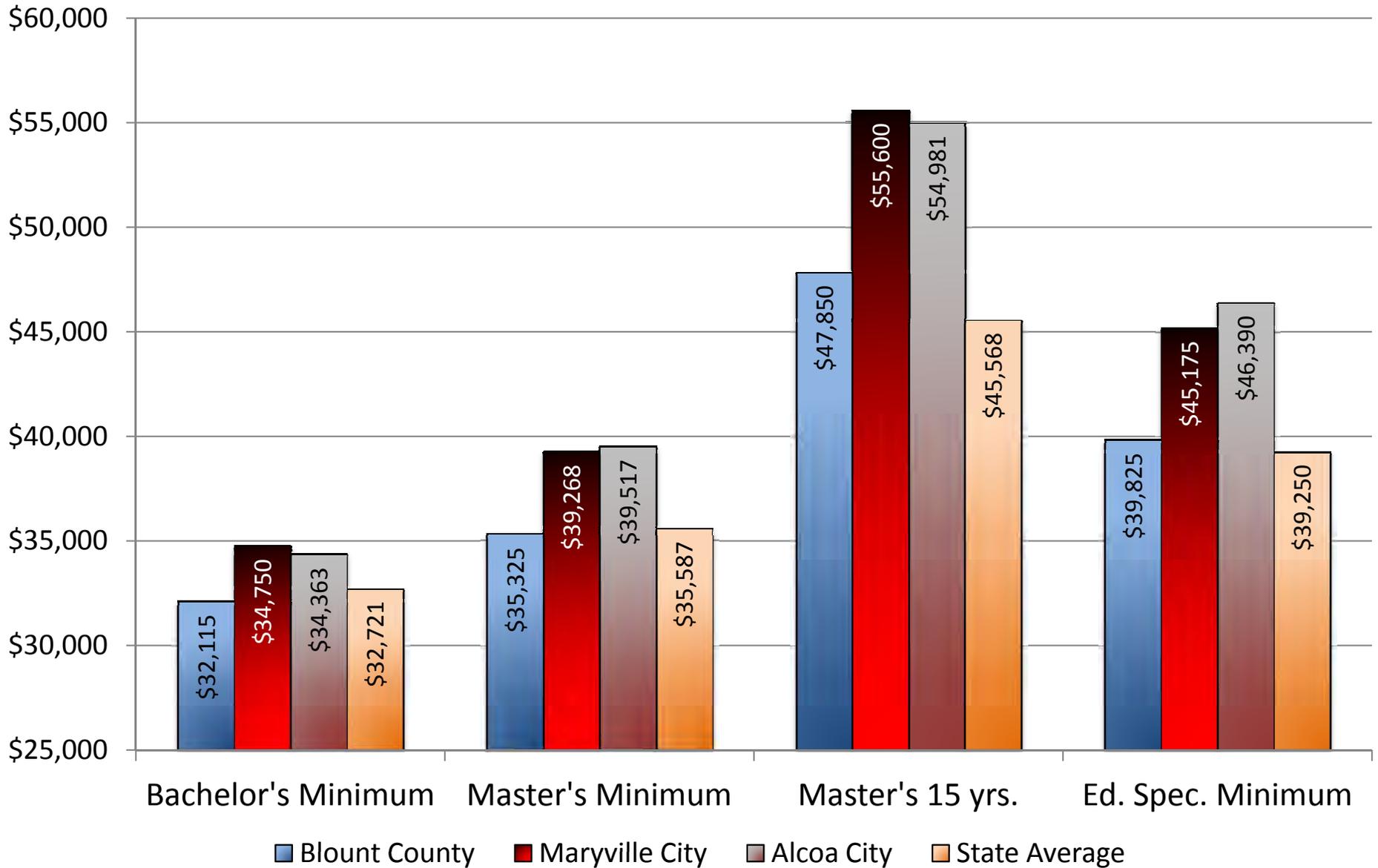
Quality Instruction Requires Competitive Compensation

**Average Salaries of Classroom Teachers (2010-2011) of
School Systems in Blount County**



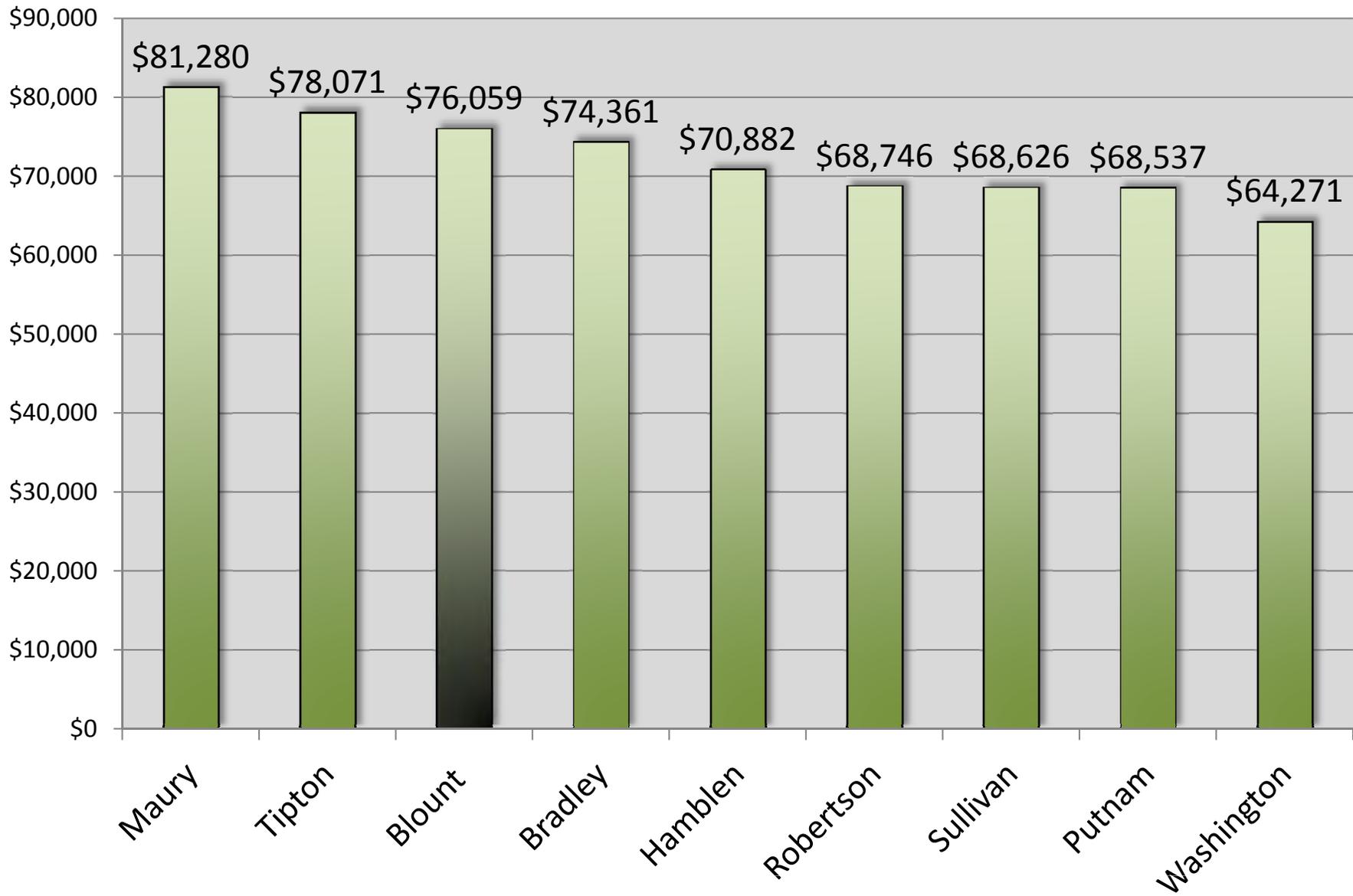
Source: TEA: TN School Systems Profile Rankings

Salary Schedules (2010-2011)



Source: TEA: TN School Systems Profile Rankings

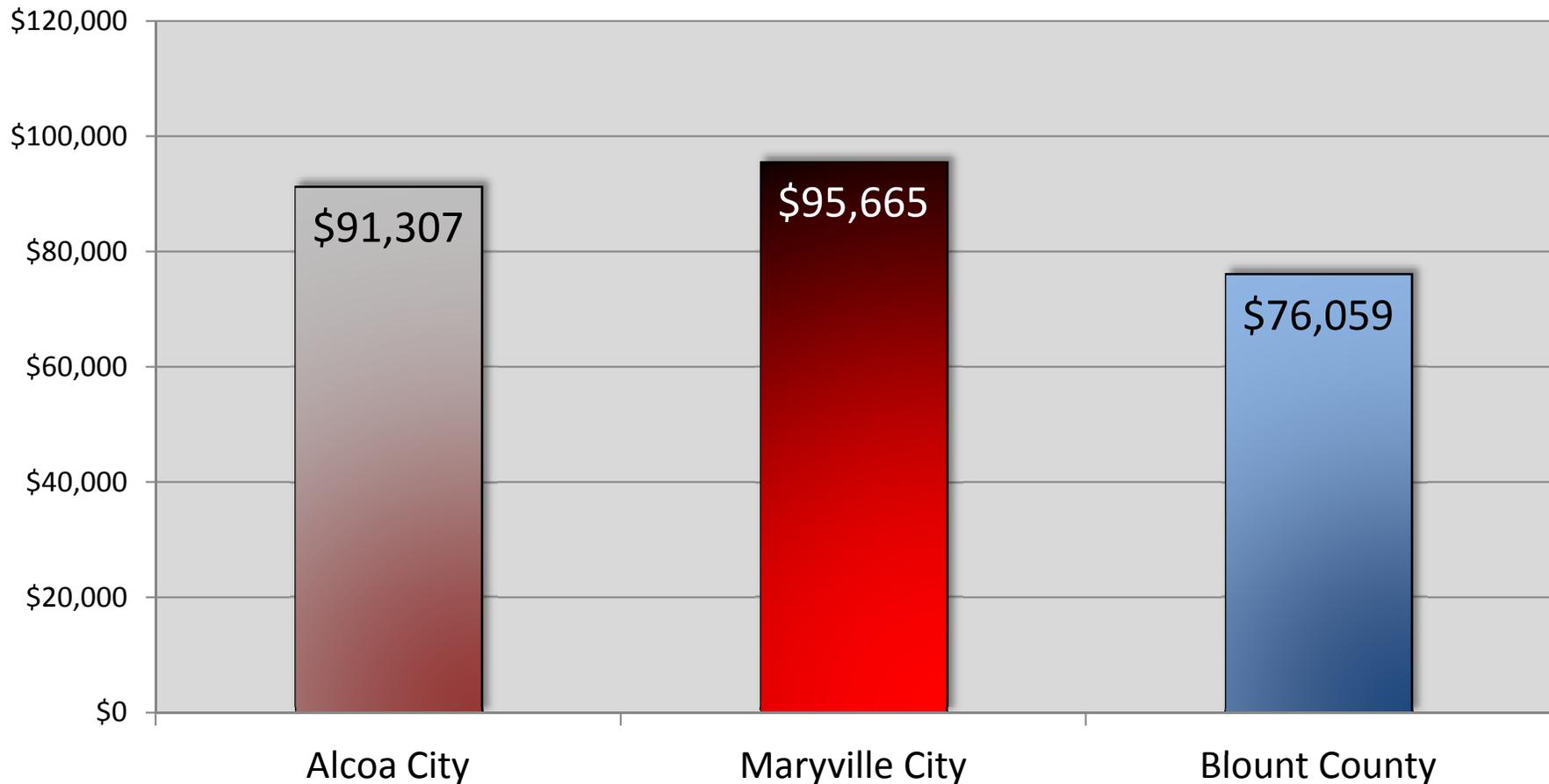
Average Salaries of Principals (2010-2011)



Source: TEA: TN School Systems Profile Rankings

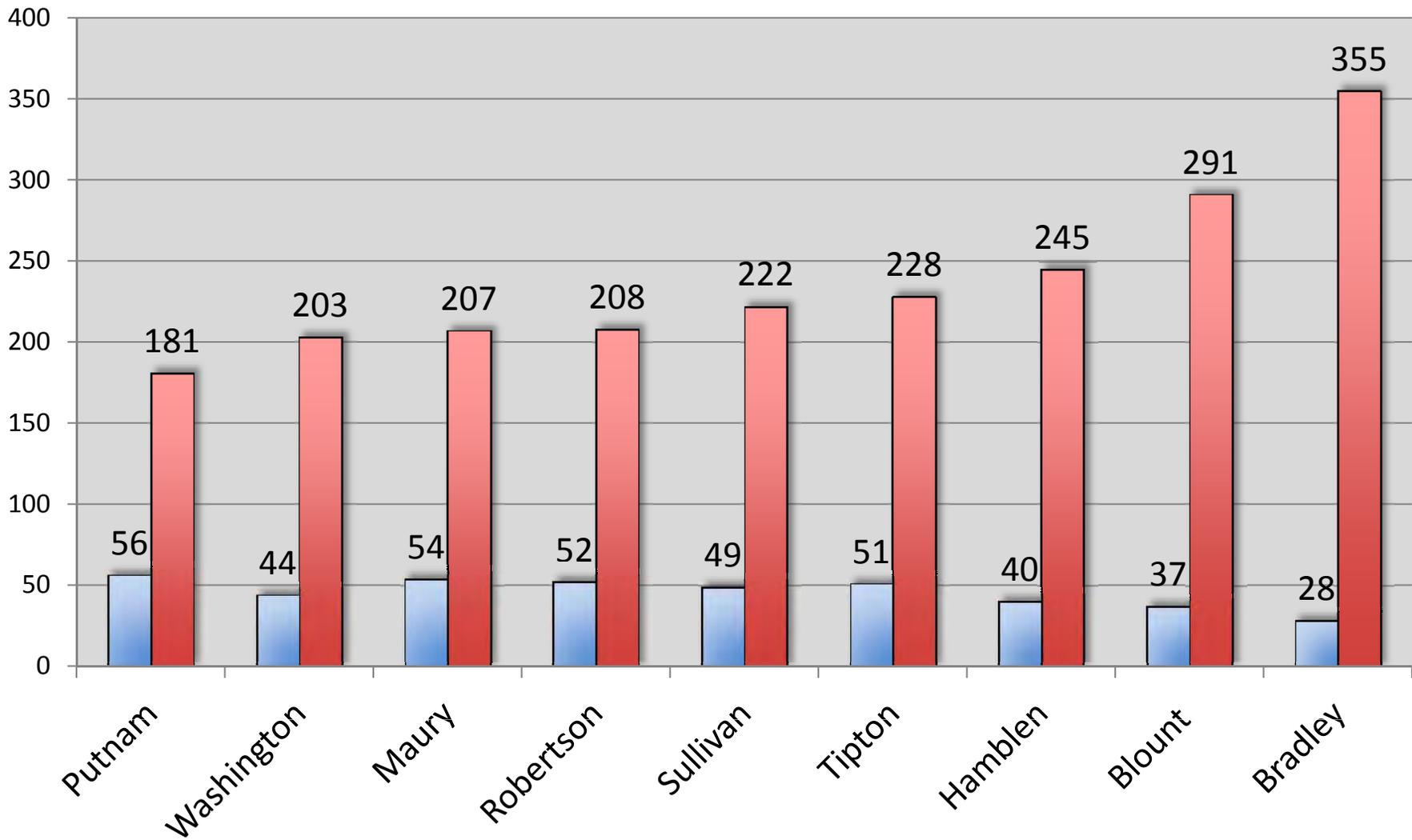
Quality Instruction Requires Competitive Compensation

Average Salaries of Principals (2010-2011) of School Systems in Blount County



Source: TEA: TN School Systems Profile Rankings

■ # of principals/asst. principals (2010-2011)
■ Student to Principal Ratio (X:1)



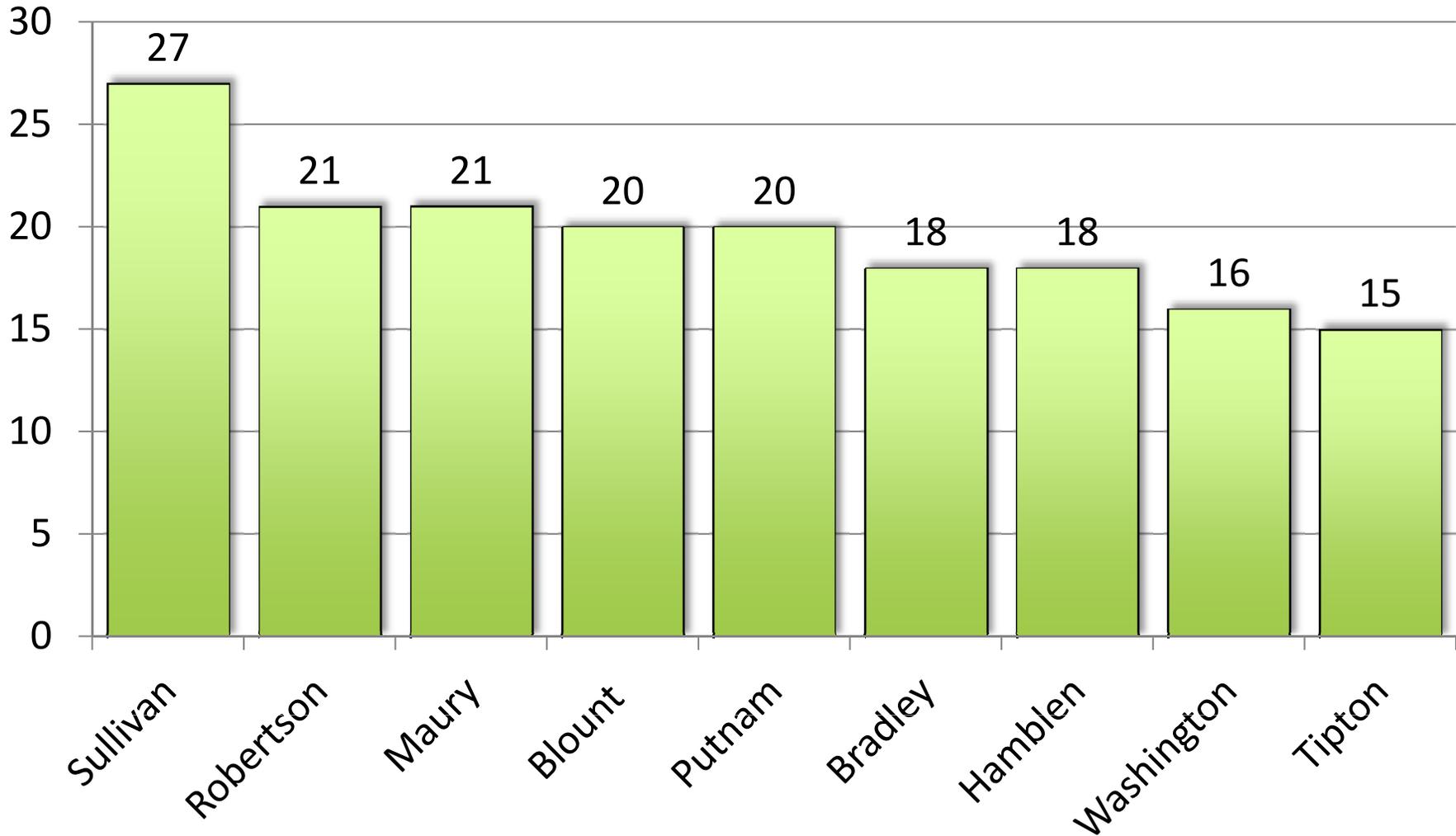
Average student : administrator ratio for systems above = 238 : 1

Comparative System Study

SCHOOLS AND SUPERVISORS

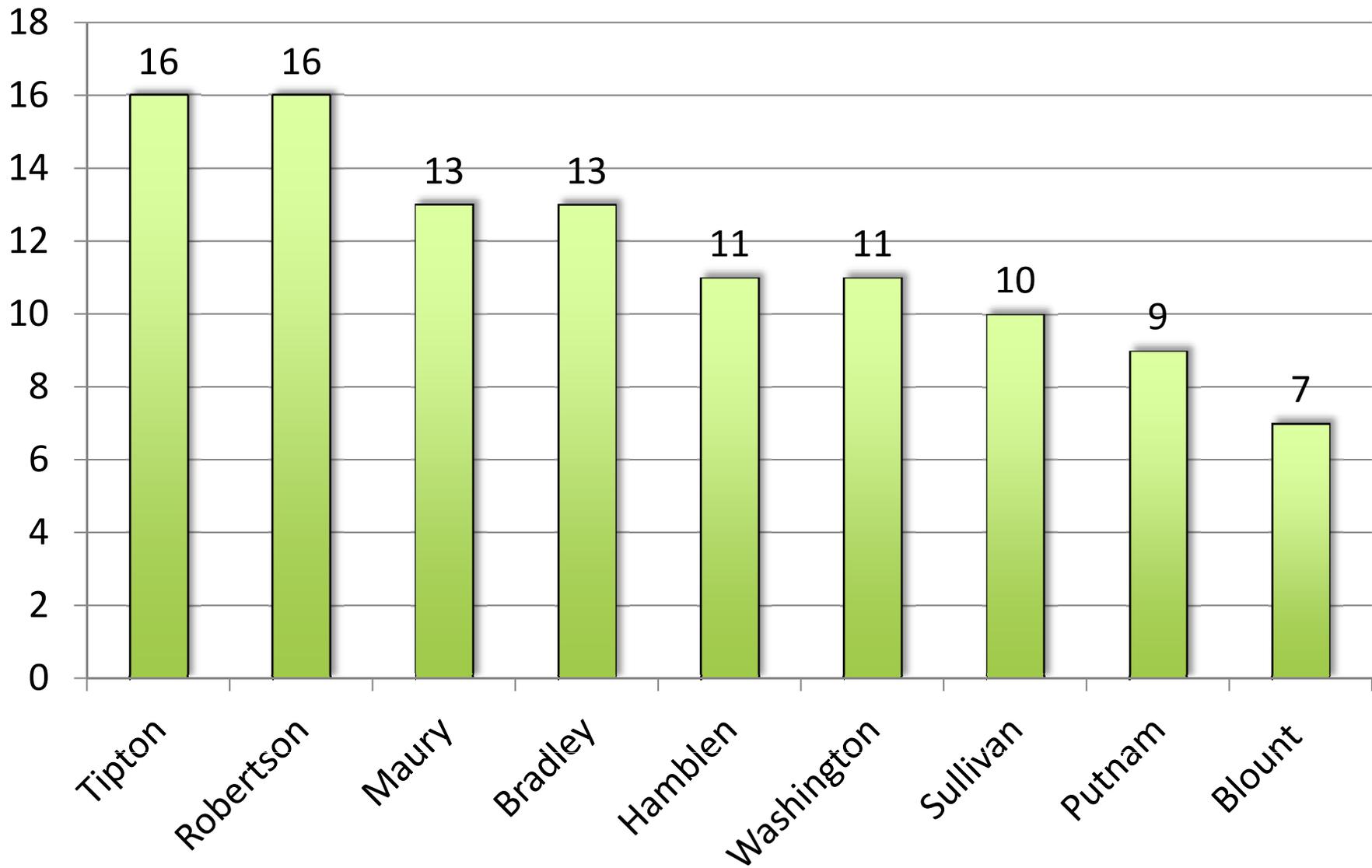
Number of schools, 2010/2011

■ # of schools



Average number of schools in systems above = 19.6

Number of system-level supervisors, 2010-2011



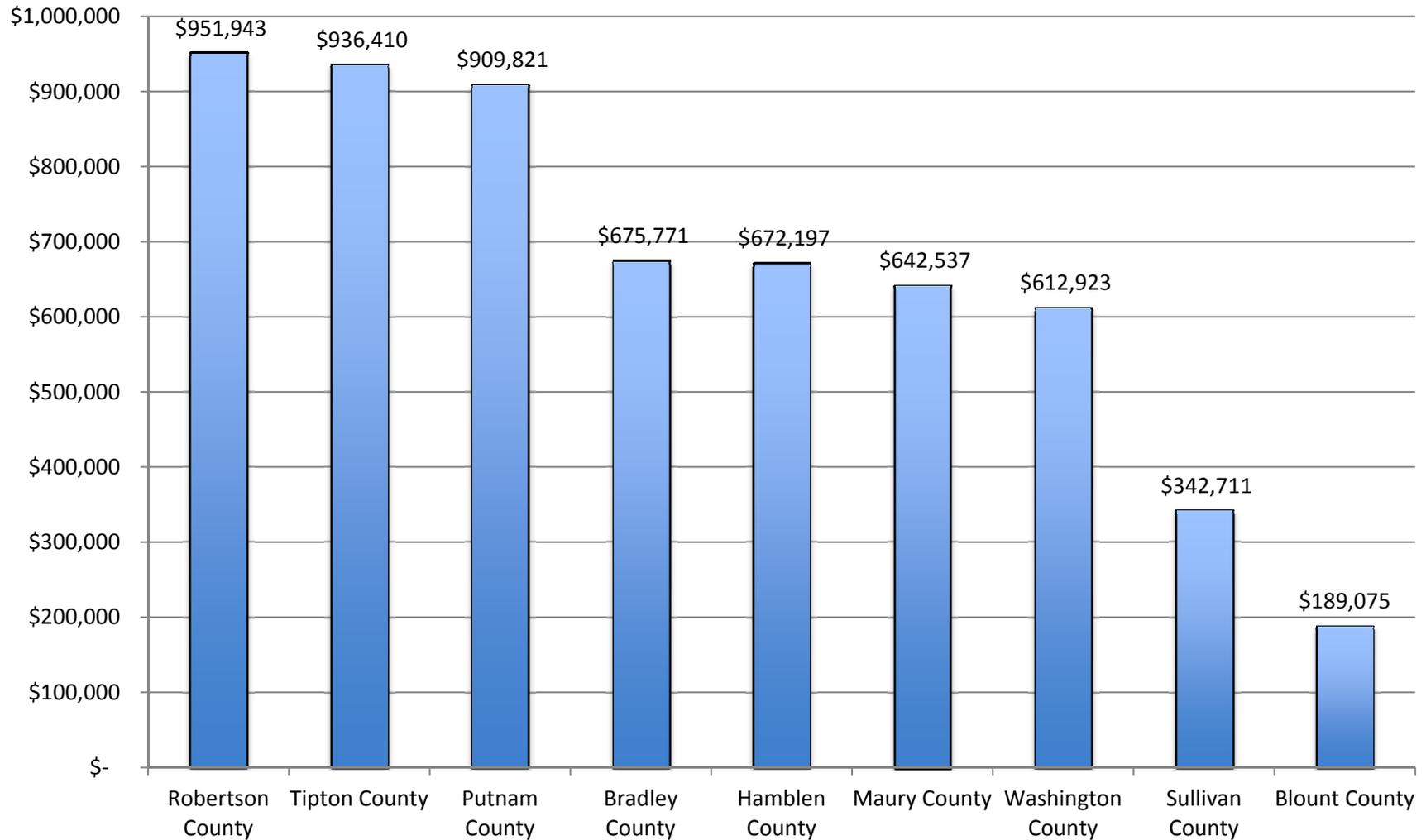
Source: Individual system websites

System	Number of schools in system (10/11)	Number of supervisors in system (10/11)	School:Supervisor Ratio (2010-2011)
Tipton	15	16	0.94:1
Robertson	21	16	1.31:1
Bradley	18	13	1.39:1
Washington	16	11	1.45:1
Maury	21	13	1.62:1
Hamblen	18	11	1.64:1
Putnam	20	9	2.22:1
Sullivan	27	10	2.70:1
Blount	20	7	2.86:1

Comparative System Study

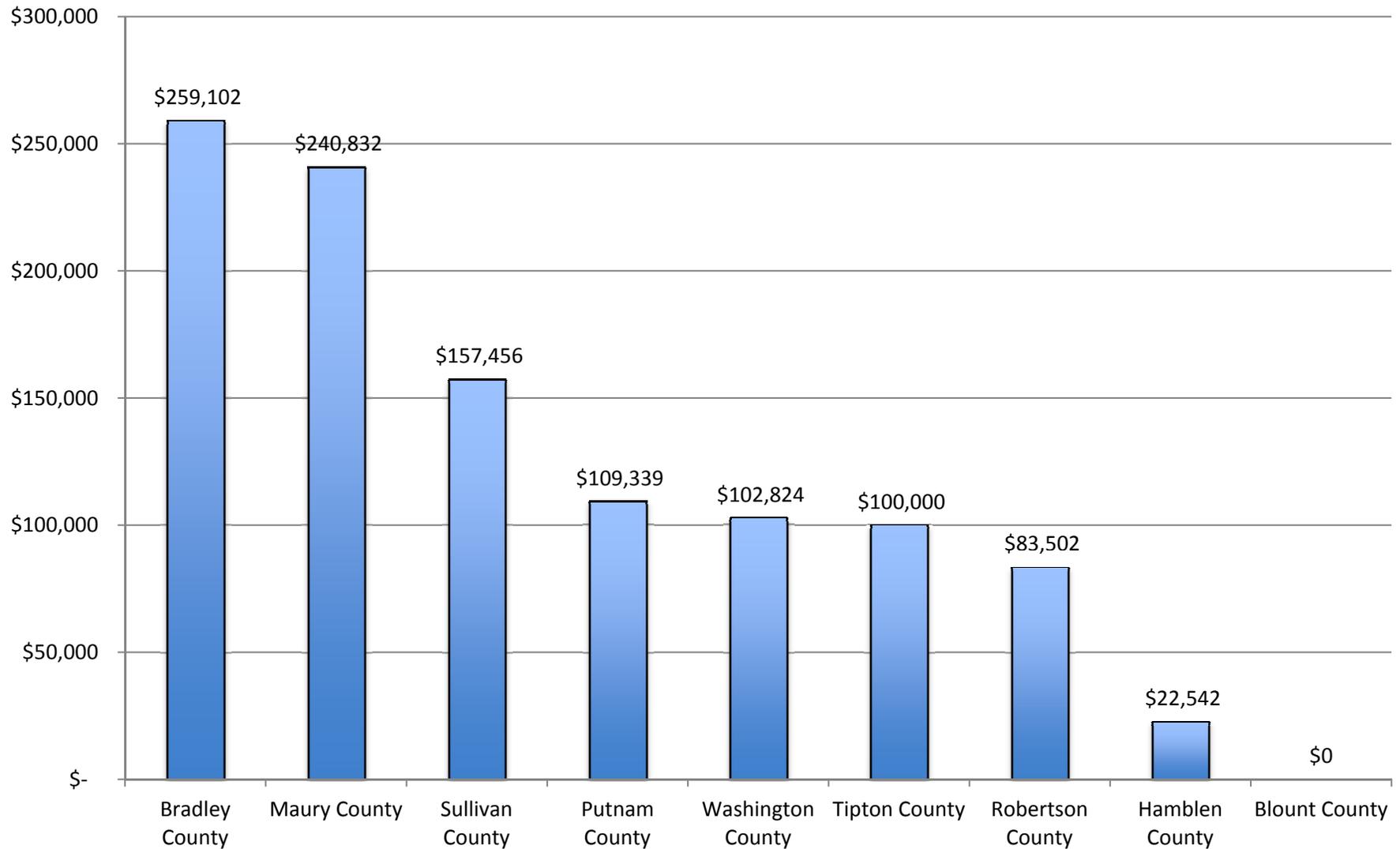
TEXTBOOK SPENDING

RE, SE, Voc Textbooks (09/10)



Source: TN Blue Book

RE Support Library Books (09/10)

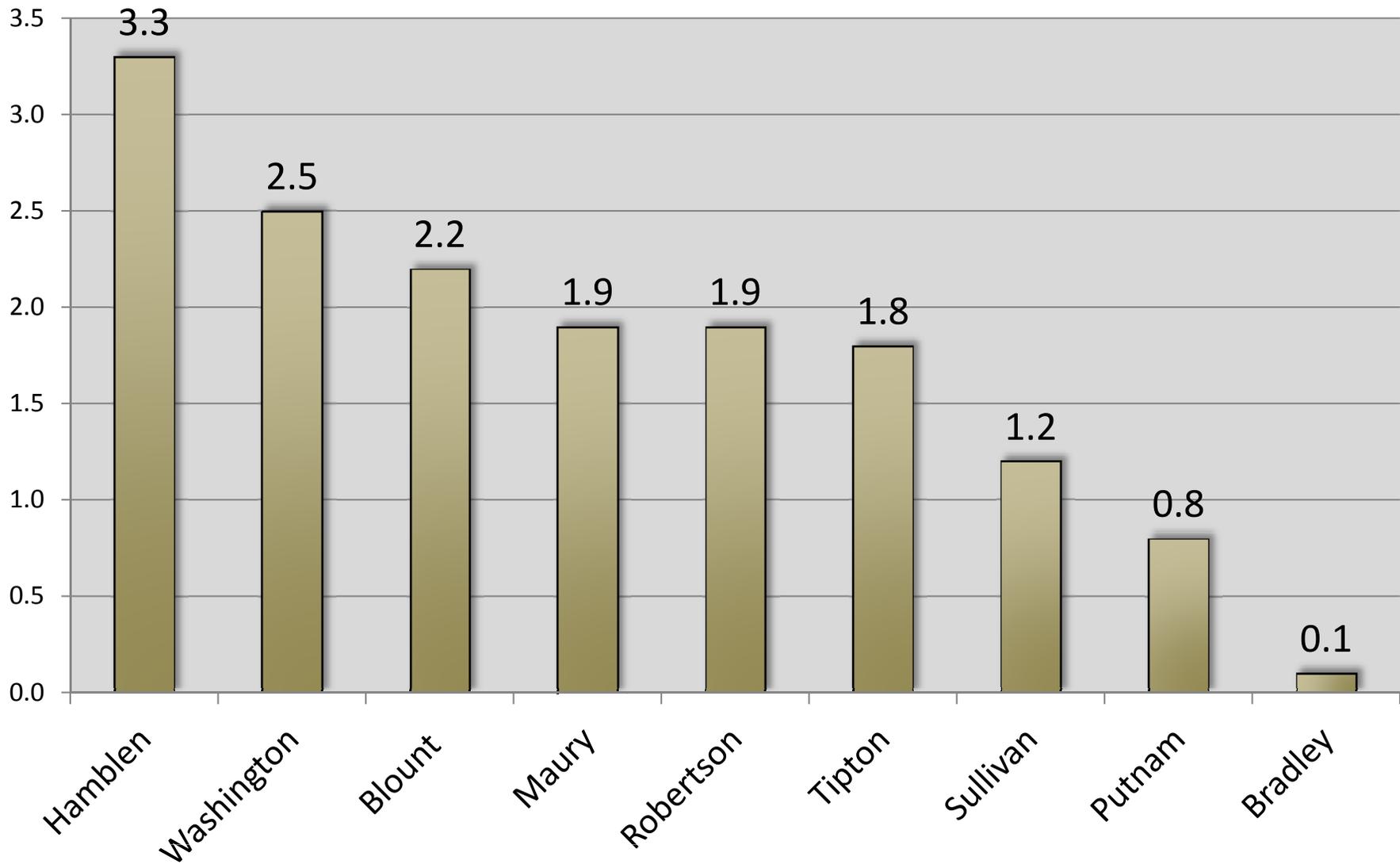


Source: TN Blue Book

Comparative System Study

ASSESSMENT PERFORMANCE

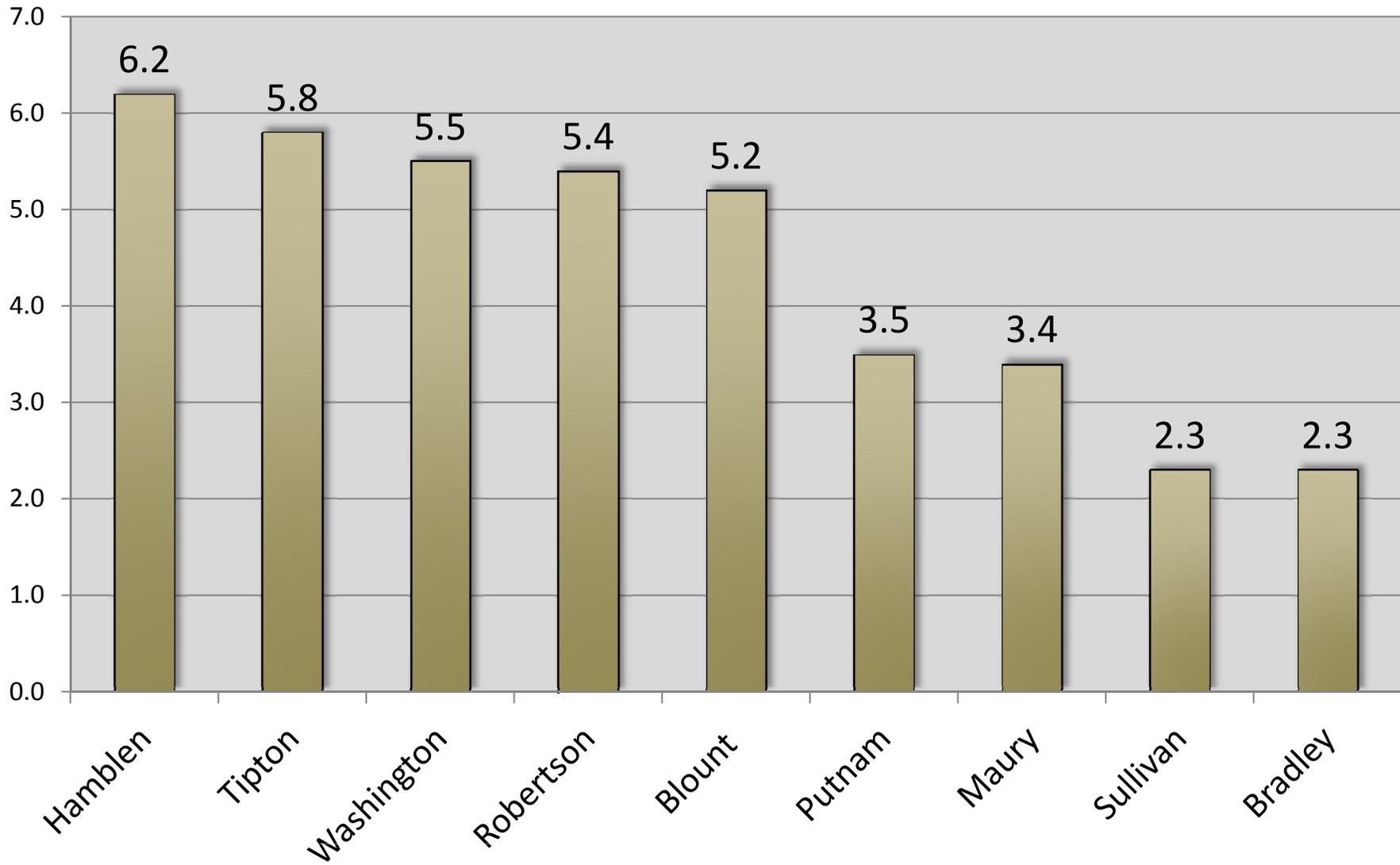
2011 System Value-Added TCAP Composite Growth Standard



Comparative System Study

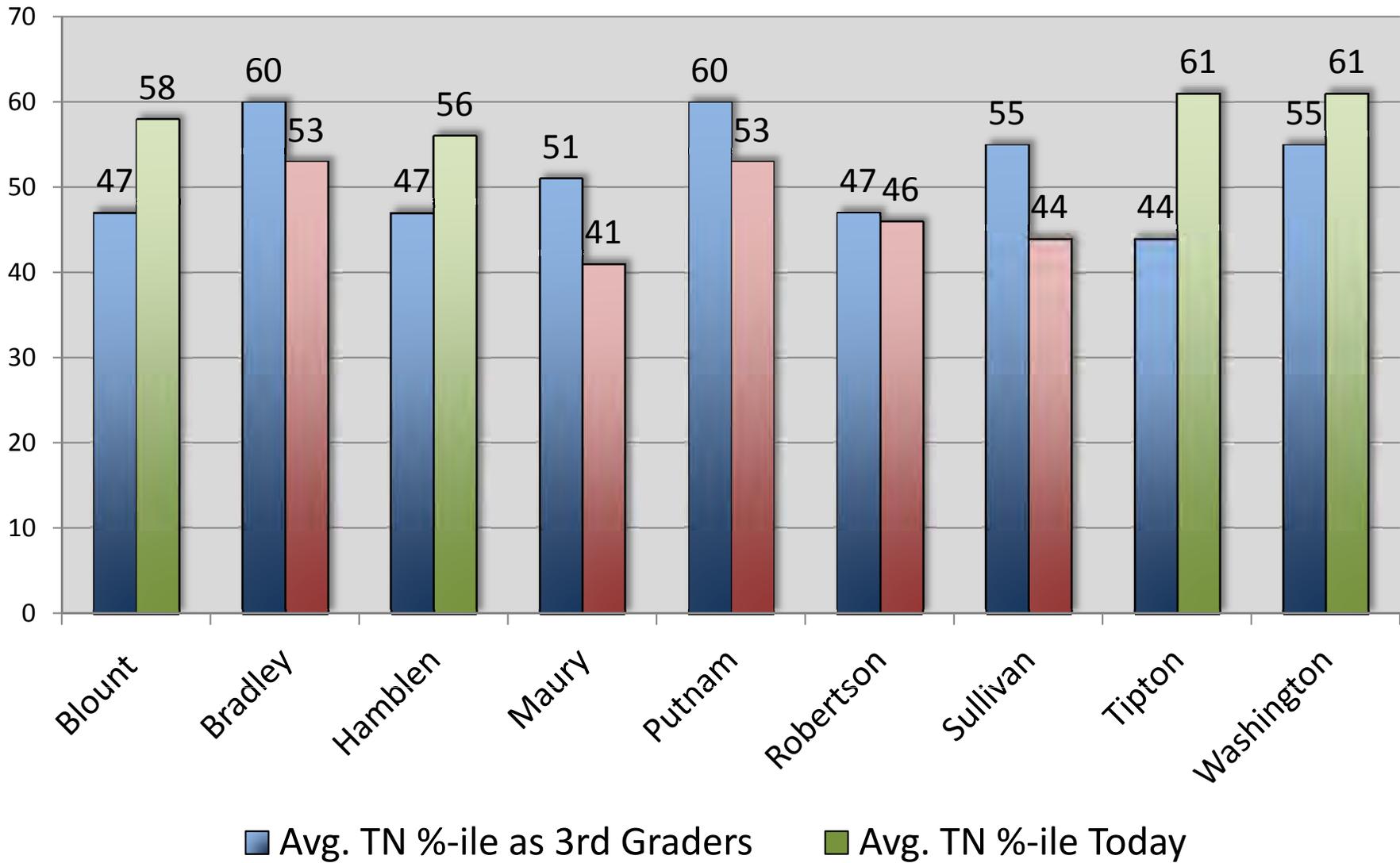
ASSESSMENT PERFORMANCE - MATH

2011 System Value-Added TCAP Math Growth Standard

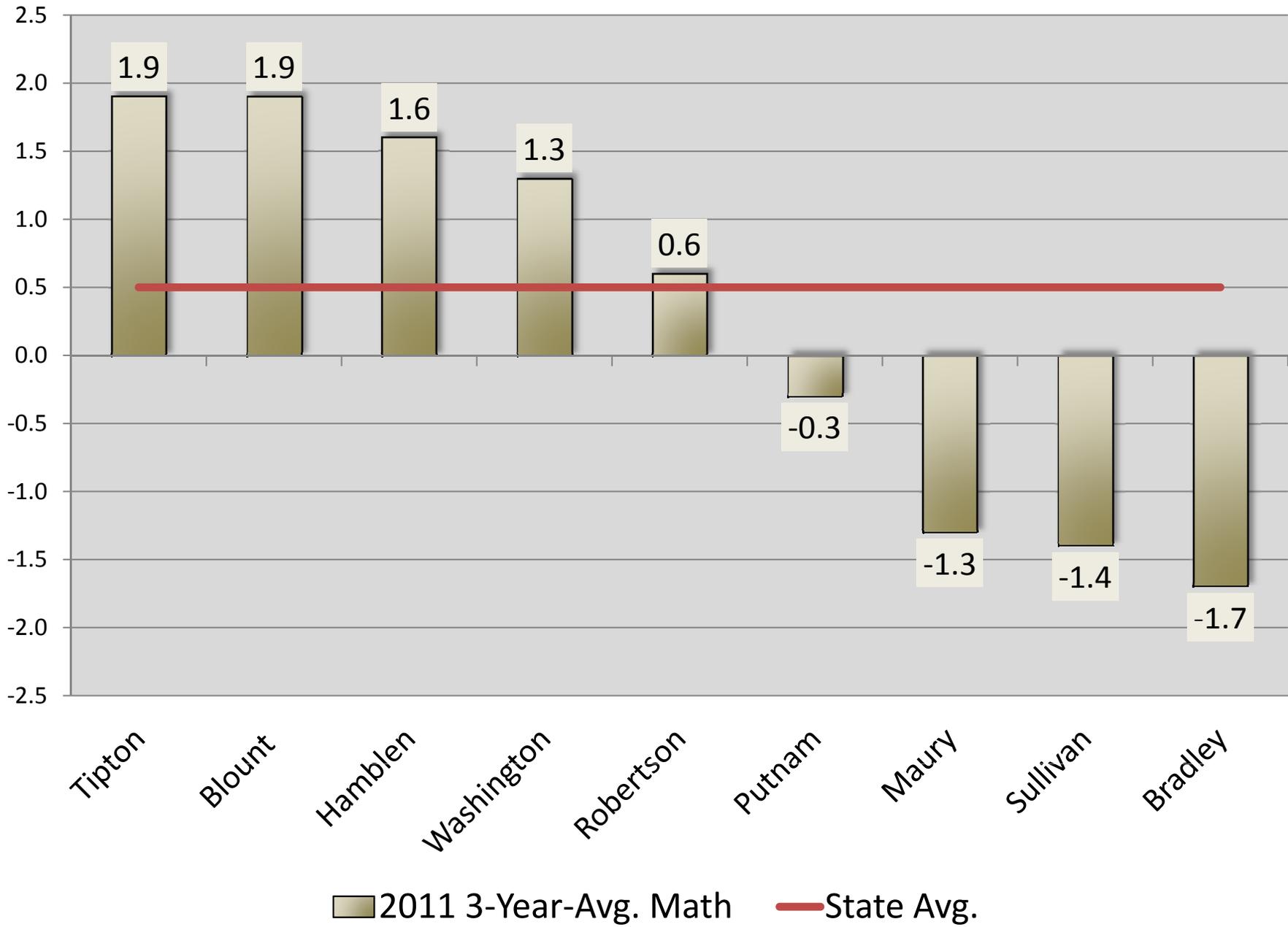


Source: TVAAS Website

2011 System Value-Added TCAP Math Total Progress of Current (10/11) 8th Graders



Source: TVAAS Website

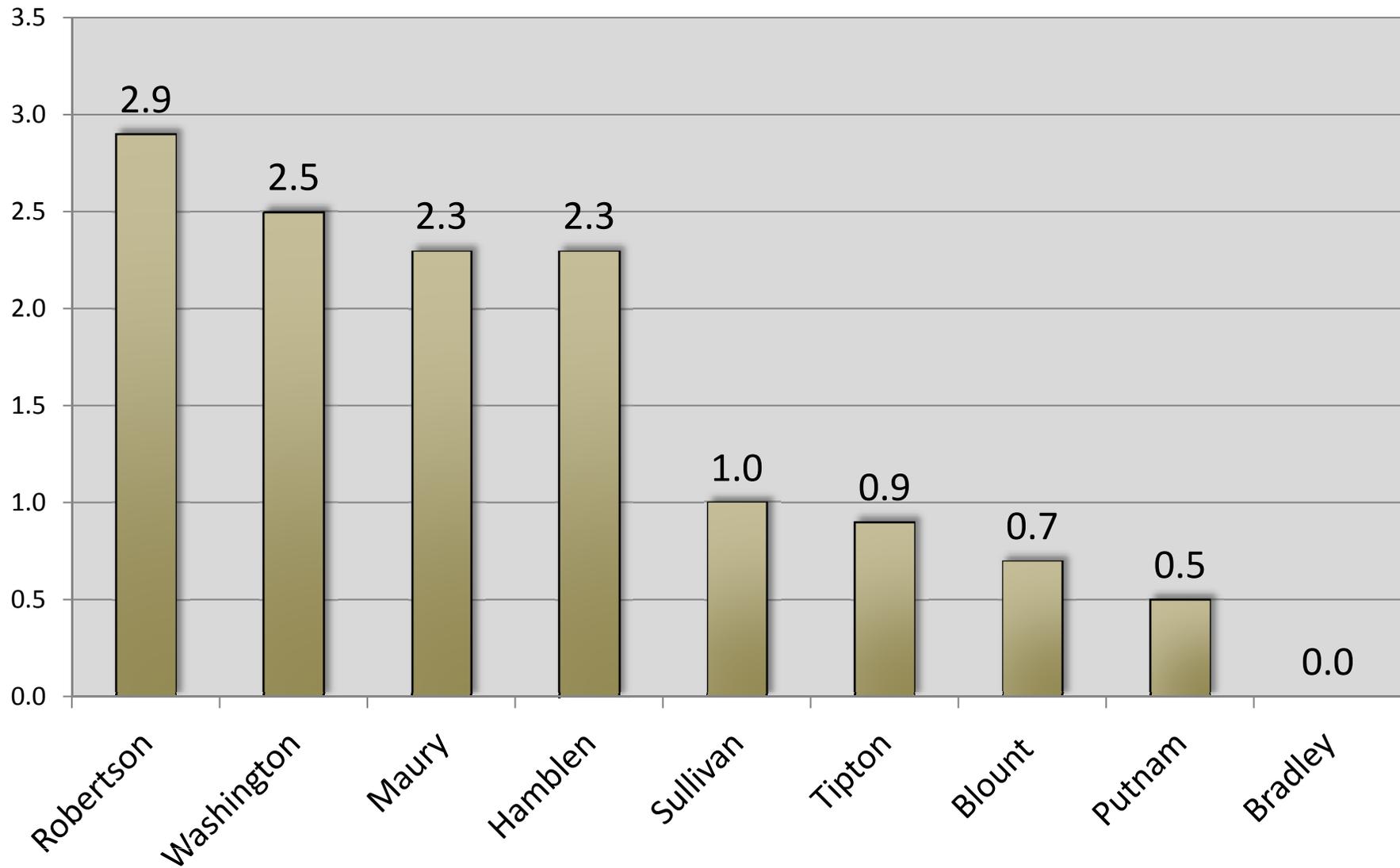


Source: 2011 Report Card

Comparative System Study

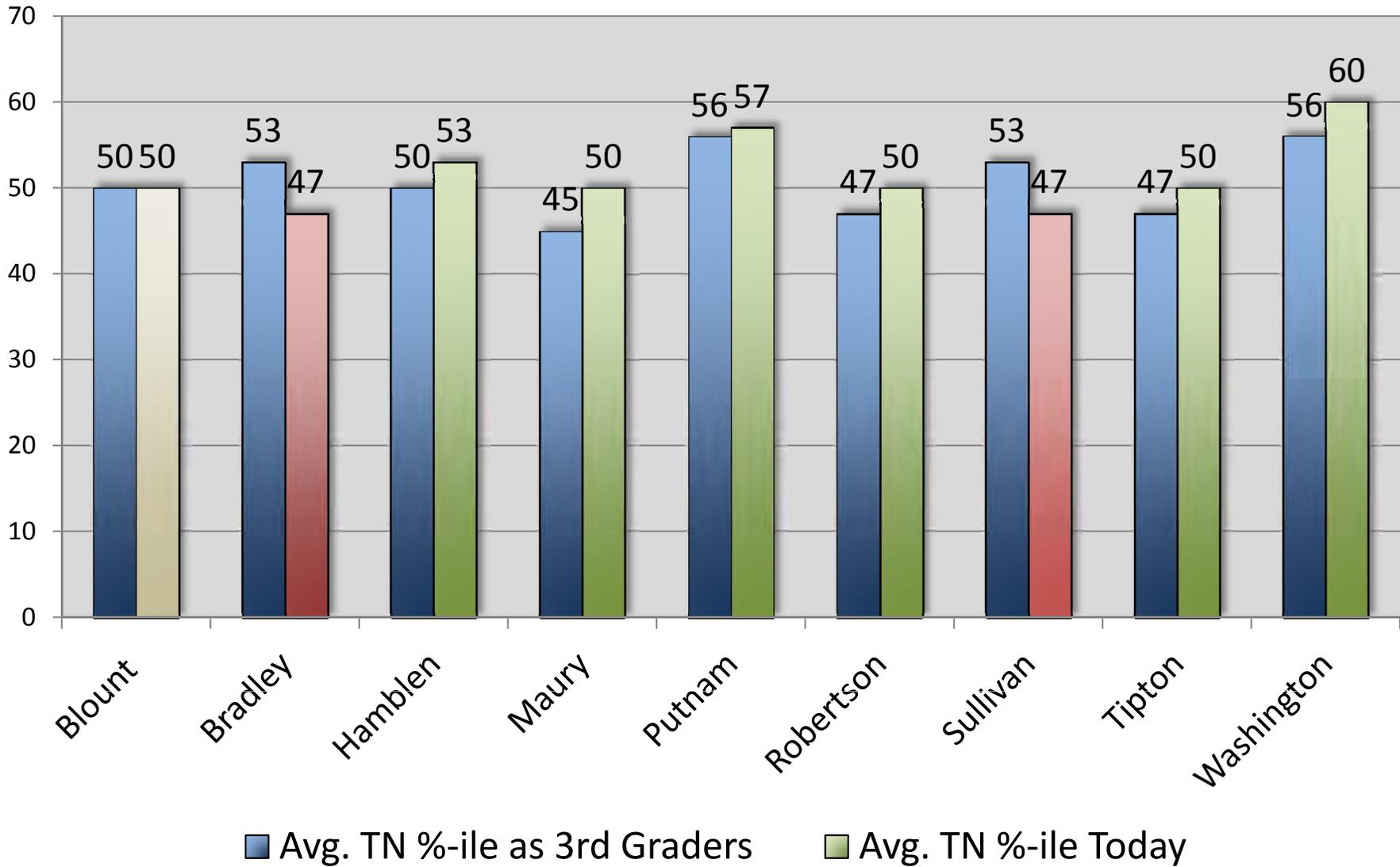
ASSESSMENT PERFORMANCE – READING/LANGUAGE ARTS

2011 System Value-Added TCAP Reading/Language Arts Growth Standard

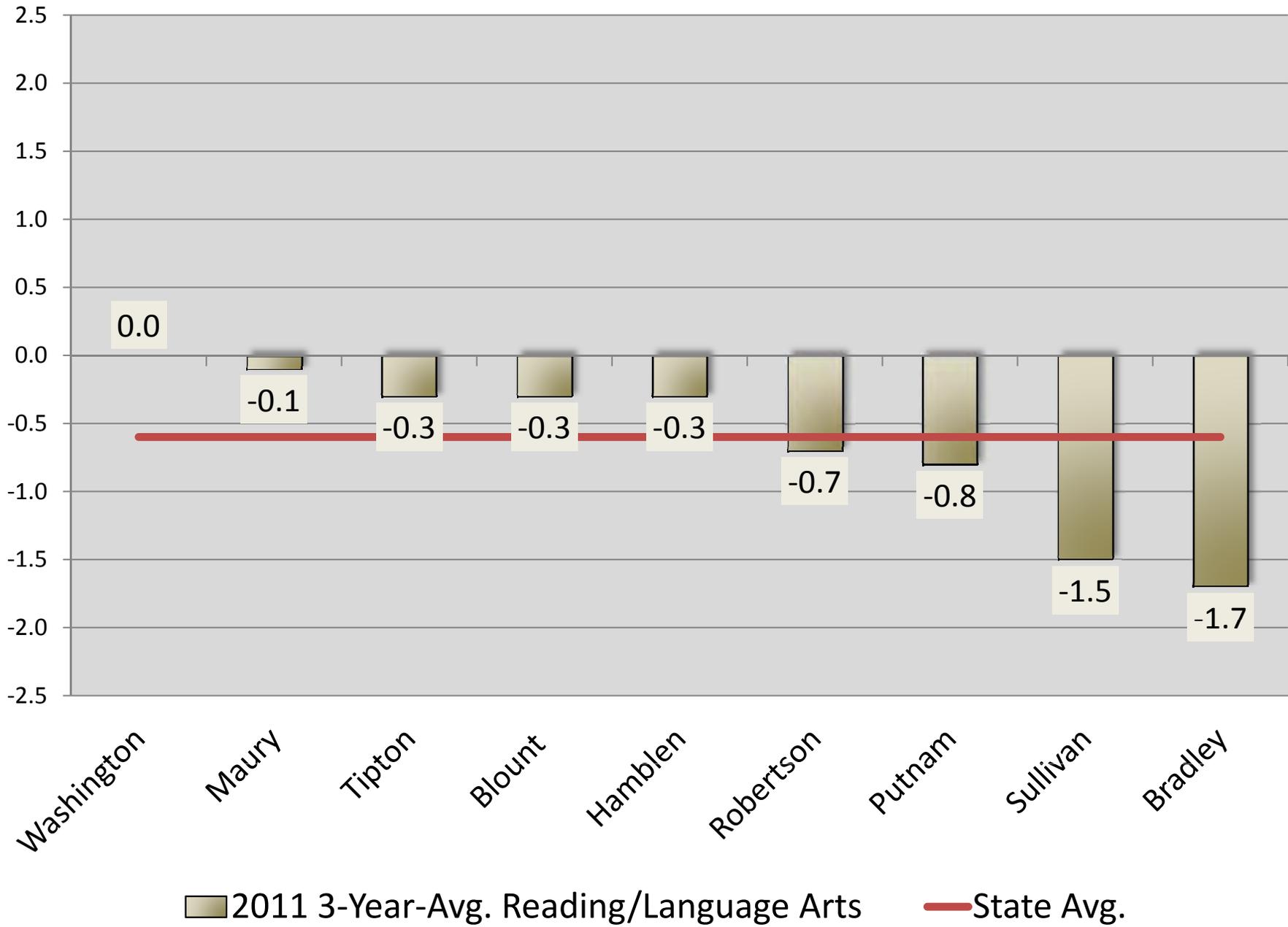


Source: TVAAS Website

2011 System Value-Added TCAP Reading/Language Arts Total Progress of Current (10/11) 8th Graders



Source: TVAAS Website

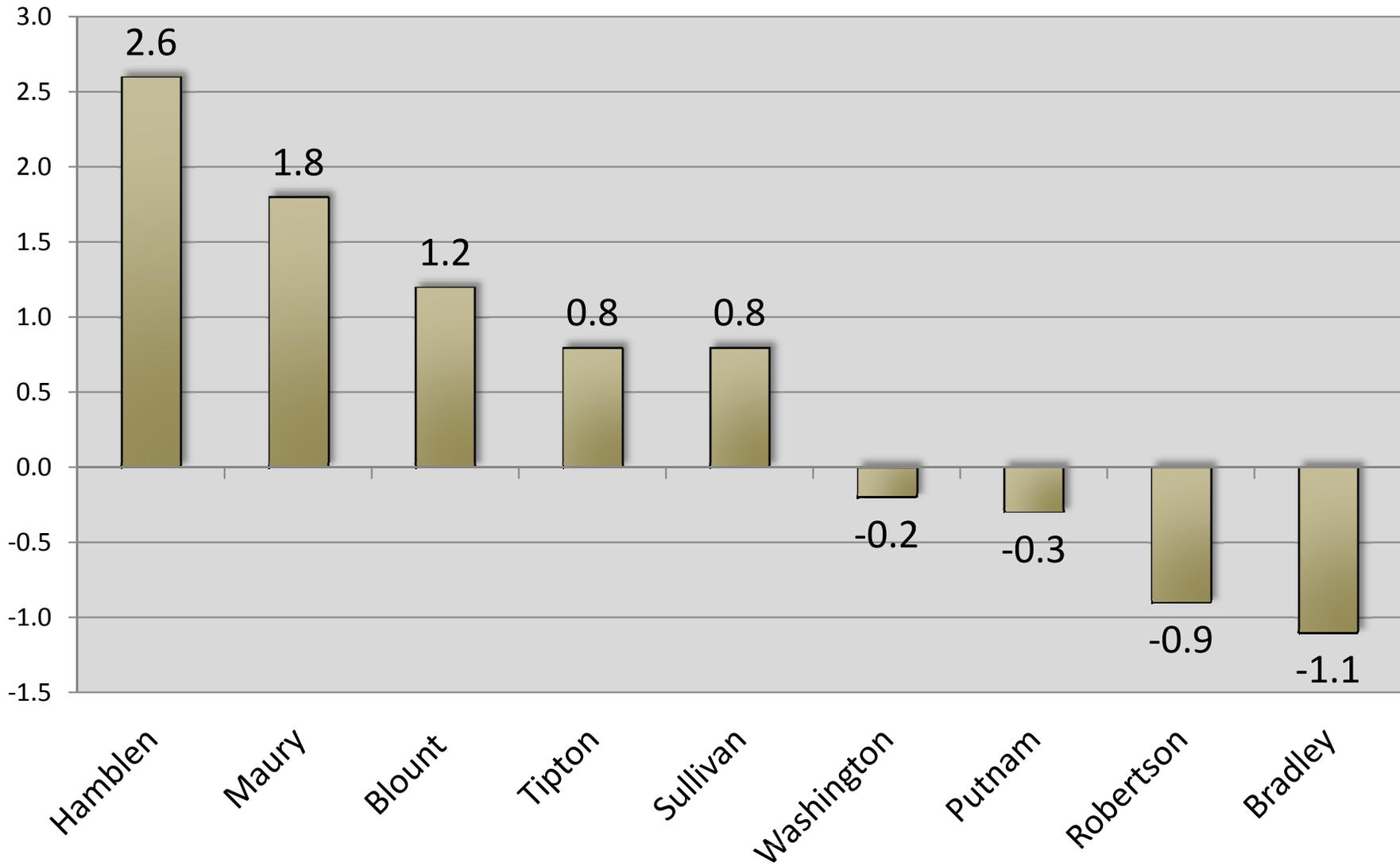


Source: 2011 Report Card

Comparative System Study

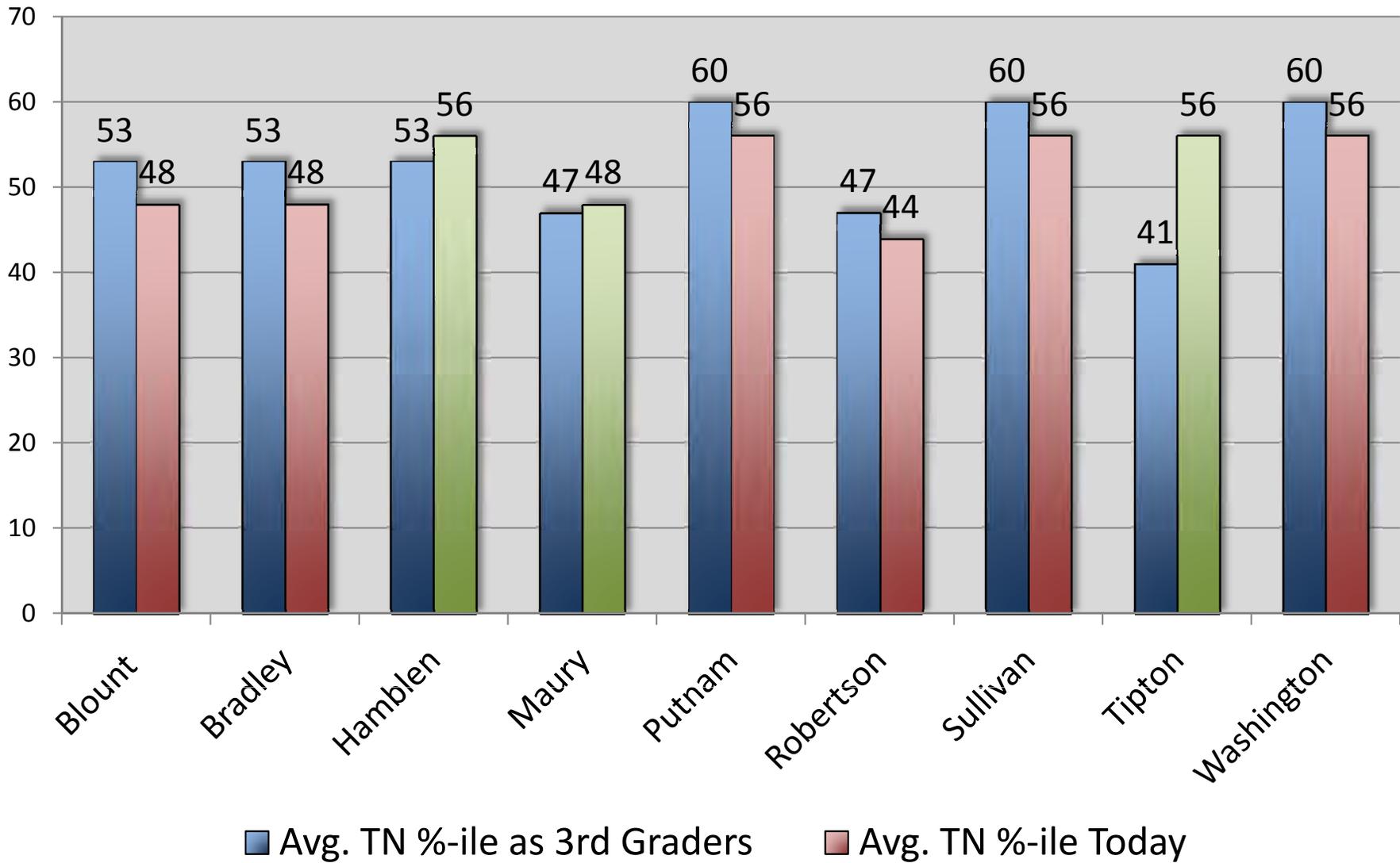
ASSESSMENT PERFORMANCE – SCIENCE

2011 System Value-Added TCAP Science Growth Standard

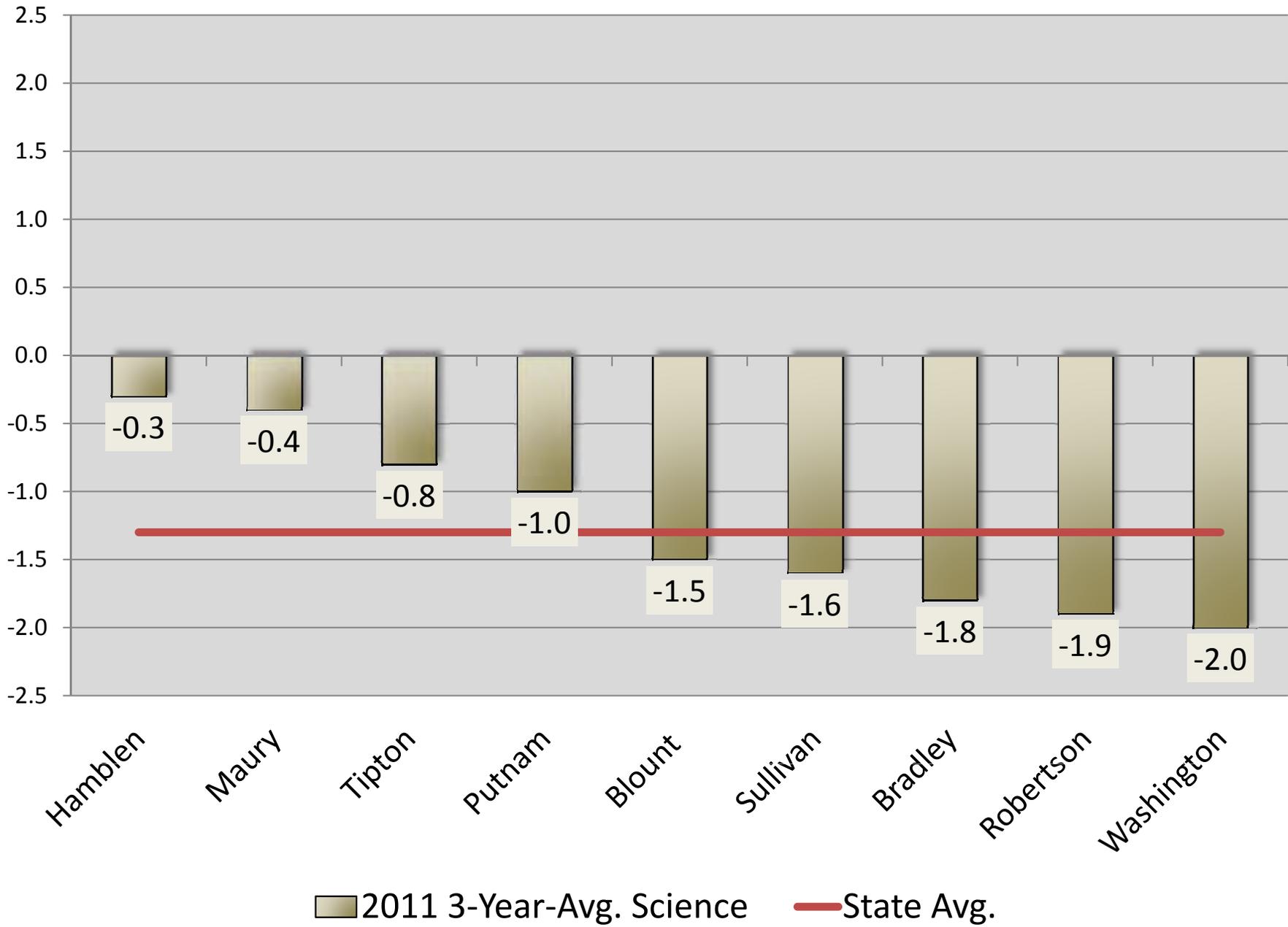


Source: TVAAS Website

2011 System Value-Added TCAP Science Total Progress of Current (10/11) 8th Graders



Source: TVAAS Website

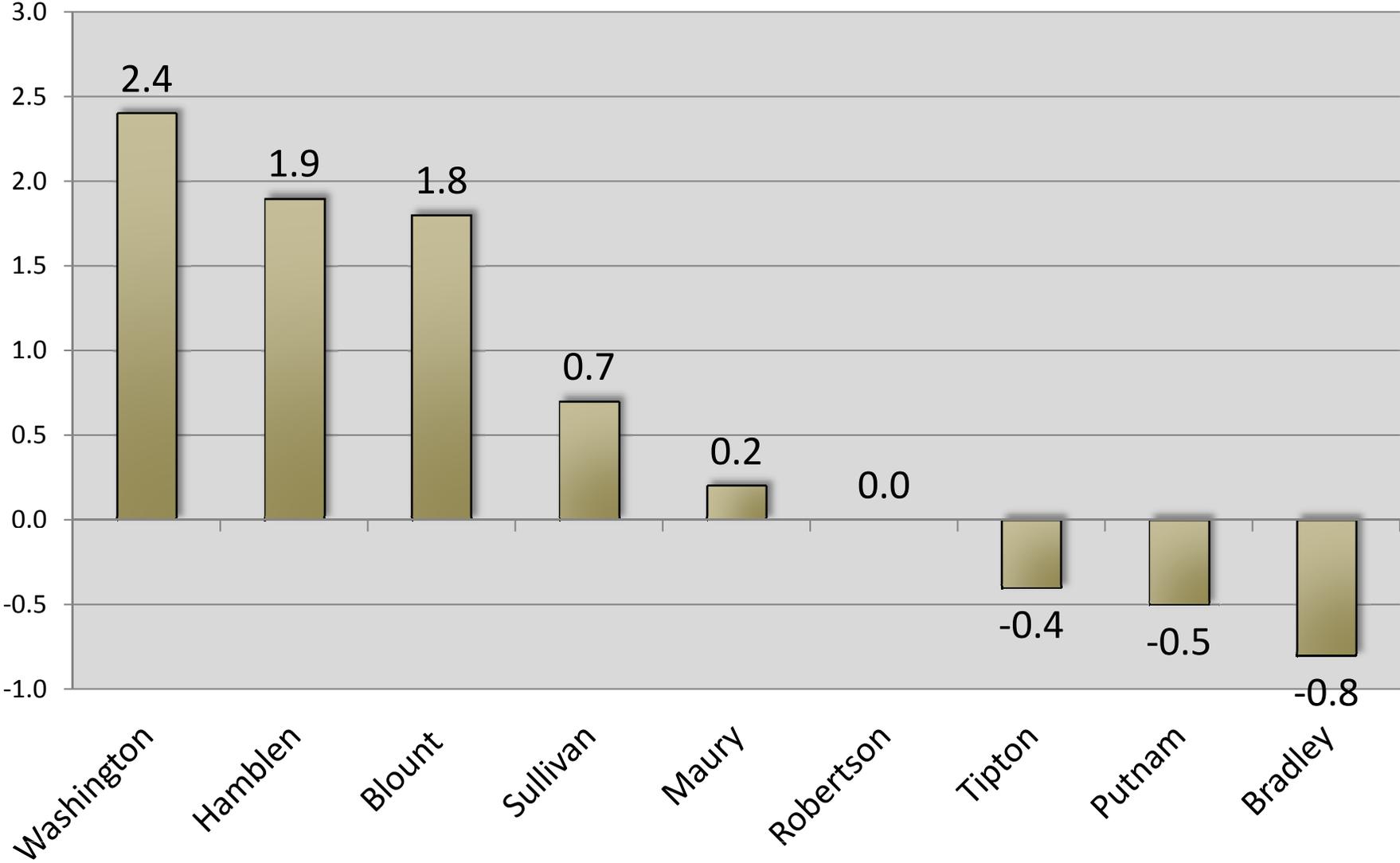


Source: 2011 Report Card

Comparative System Study

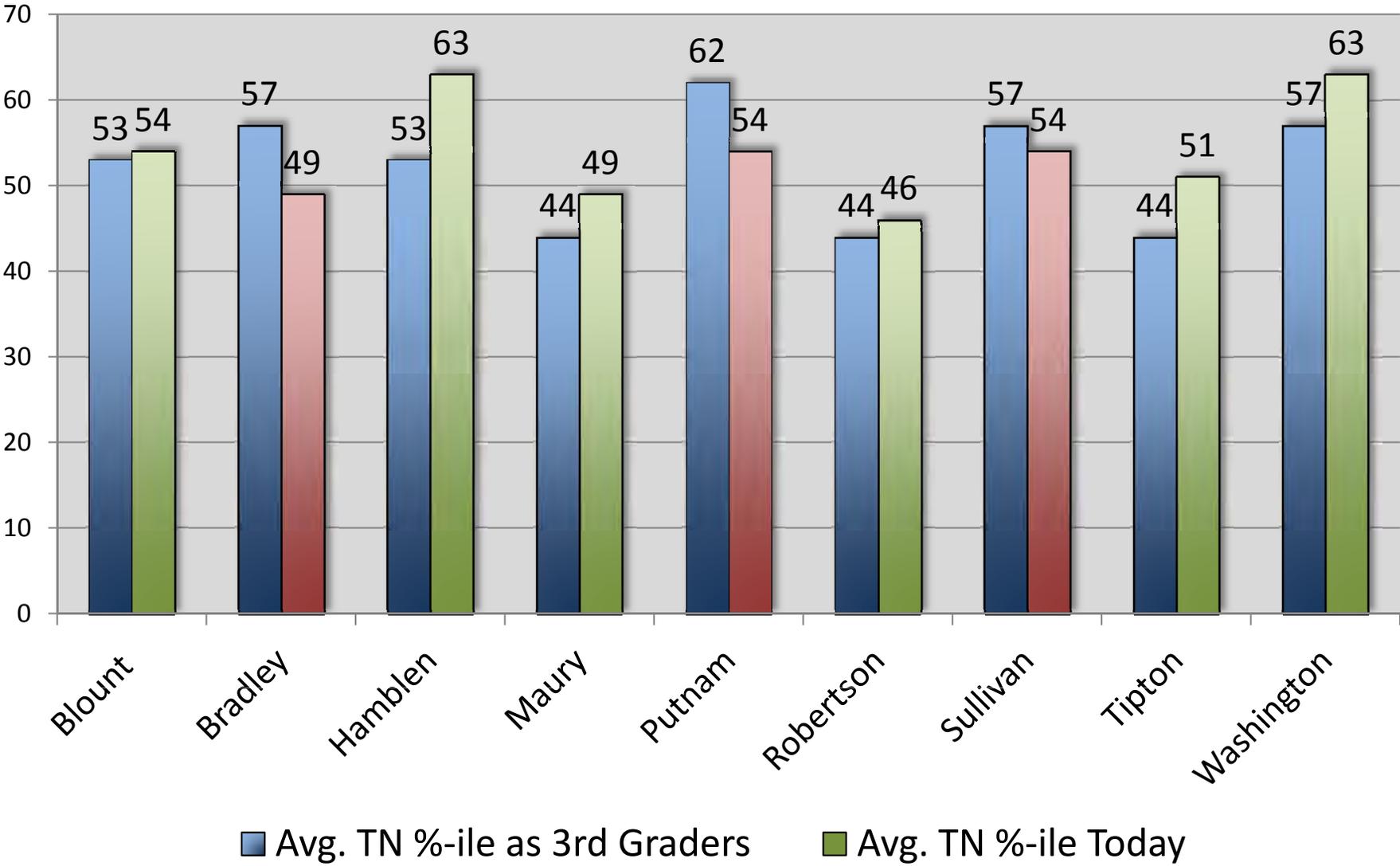
ASSESSMENT PERFORMANCE – SOCIAL STUDIES

2011 System Value-Added TCAP Social Studies Growth Standard

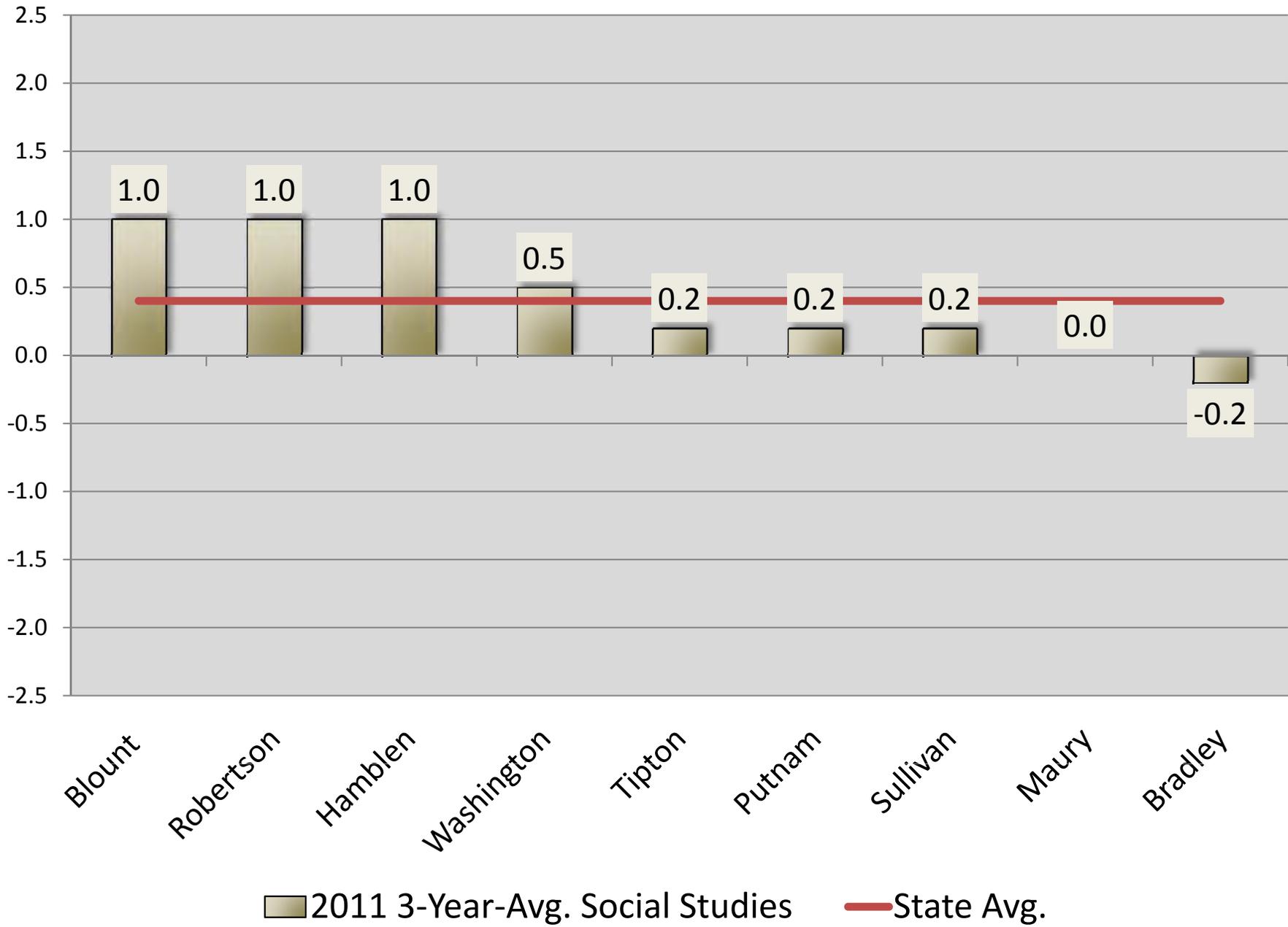


Source: TVAAS Website

2011 System Value-Added TCAP Social Studies Total Progress of Current (10/11) 8th Graders

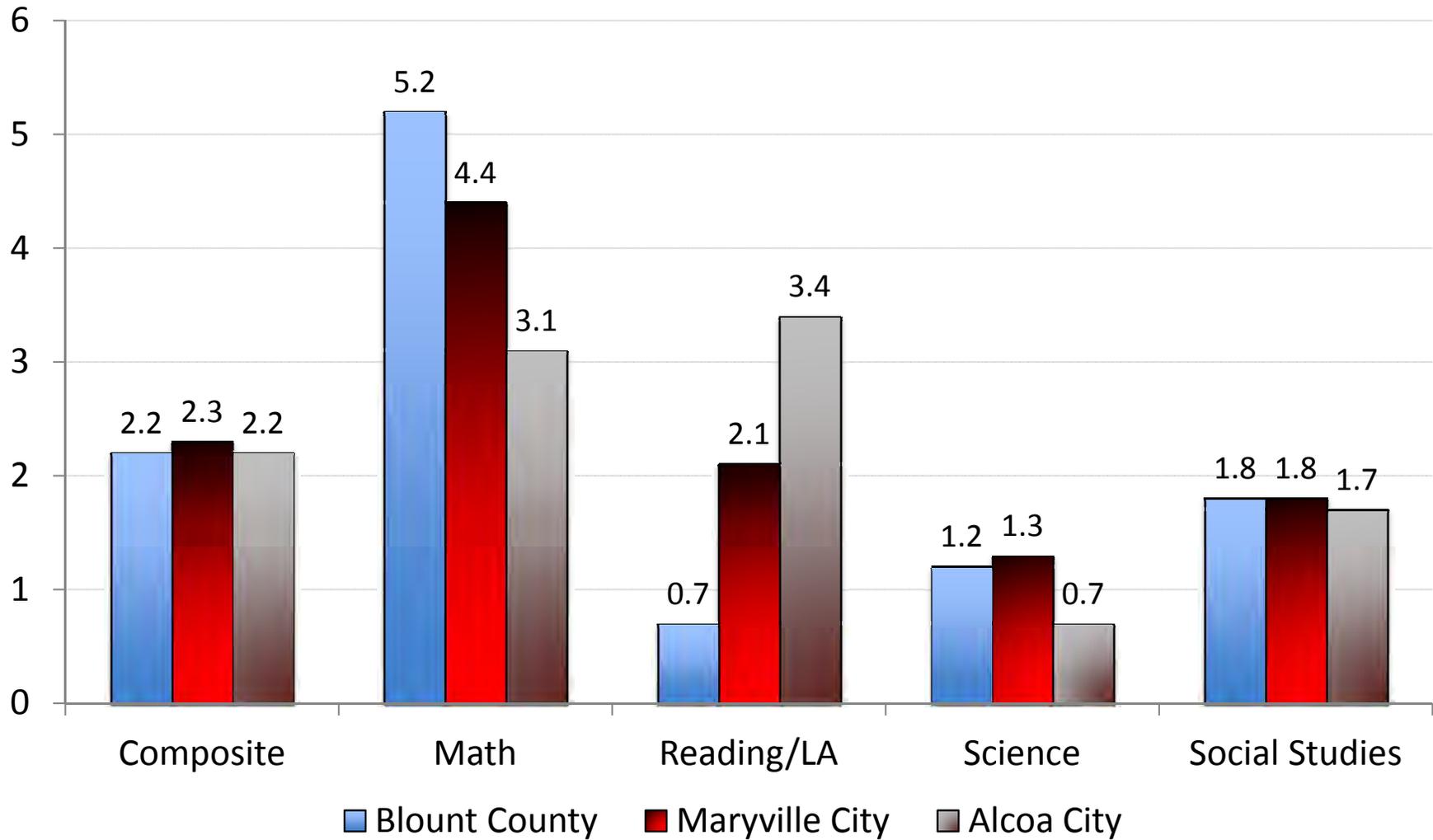


Source: TVAAS Website



Source: 2011 Report Card

2011 System Value-Added, 3-8 Growth Standard Systems of Blount County

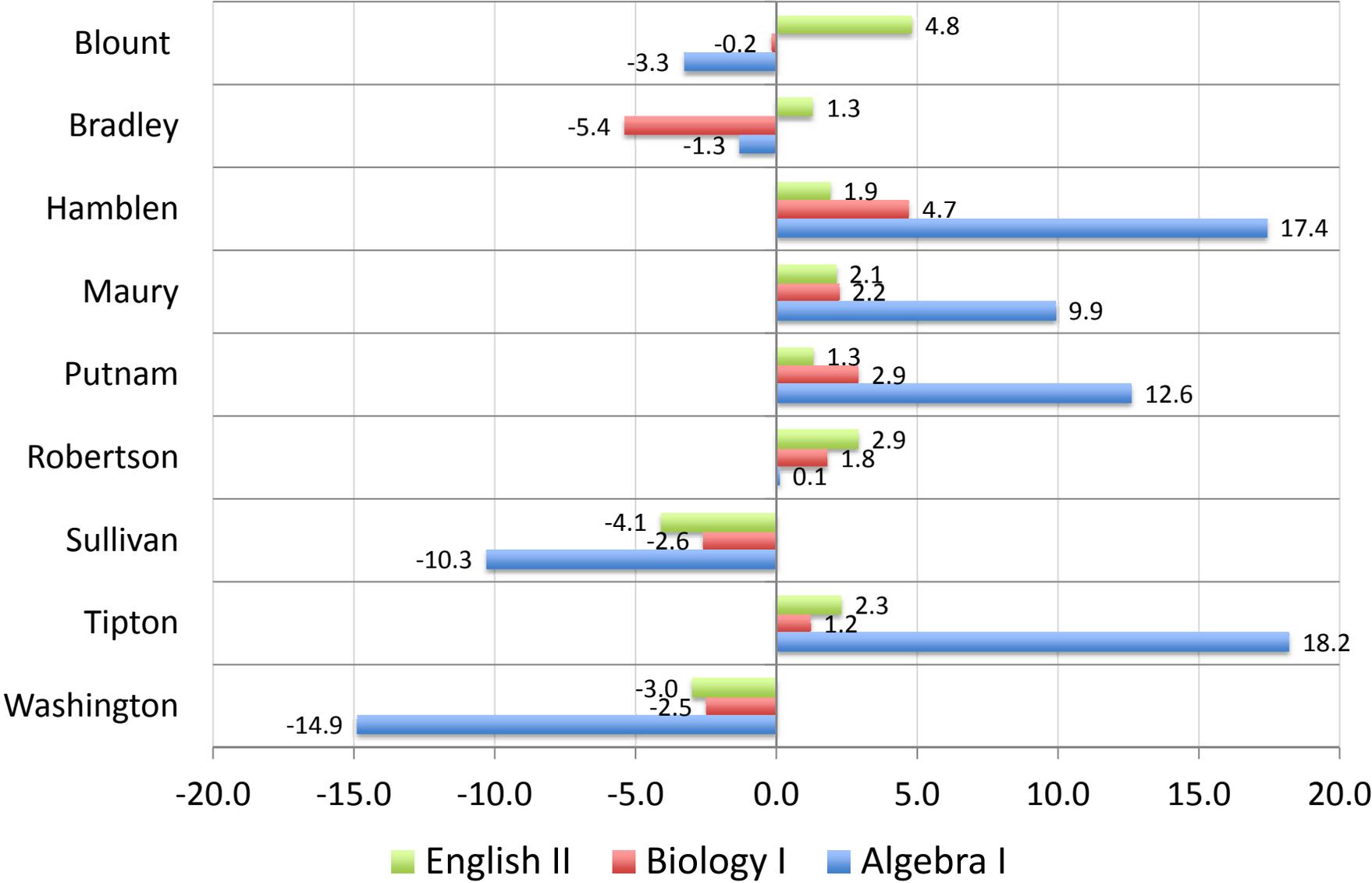


Source: TVAAS Website

Comparative System Study

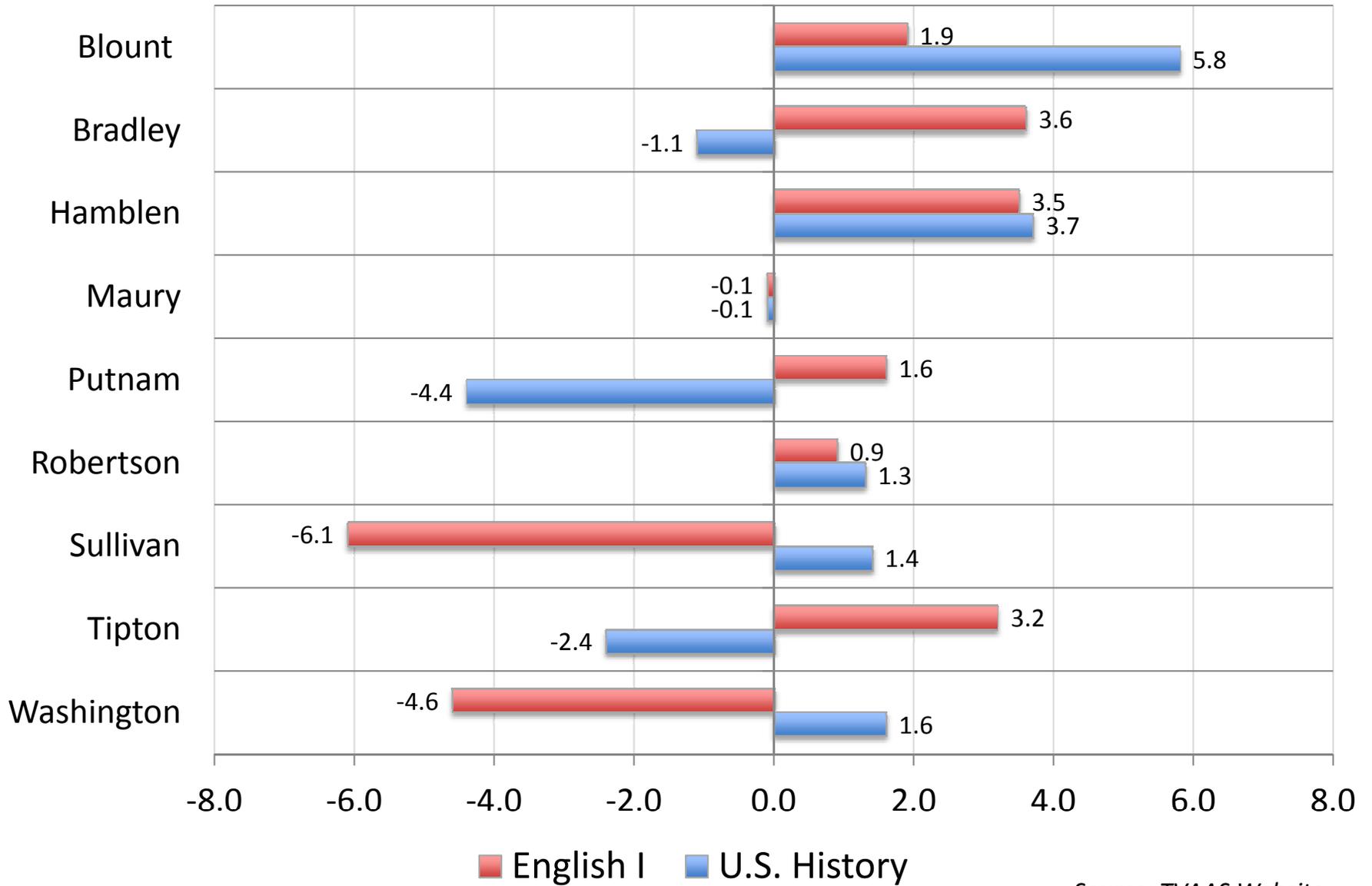
HIGH SCHOOL EOC/AYP AND ACT ASSESSMENT SERIES PERFORMANCE

2011 System Value-Added High School EOC/AYP System Effect



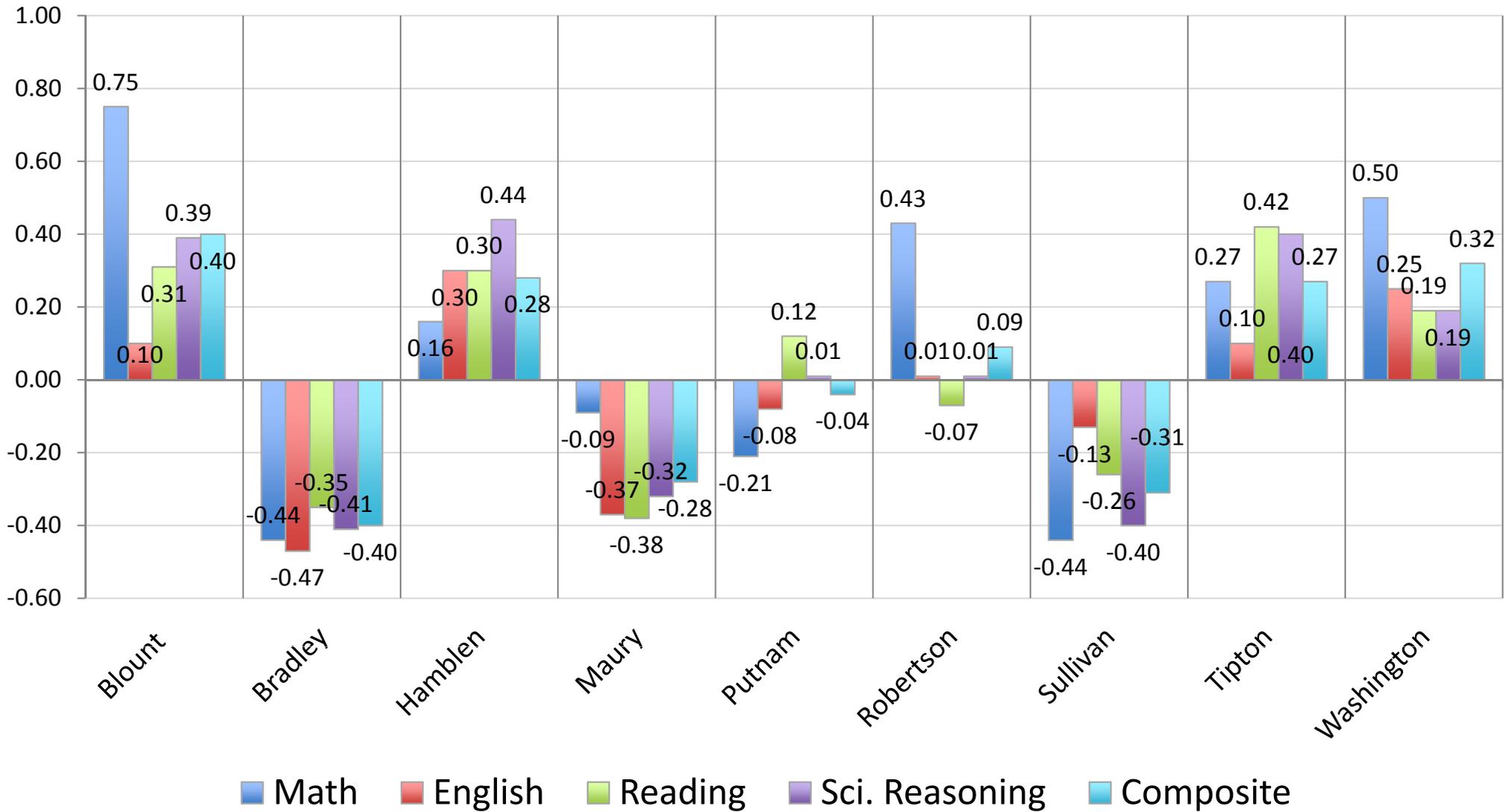
Source: TVAAS Website

2011 System Value-Added High School EOC System Effect



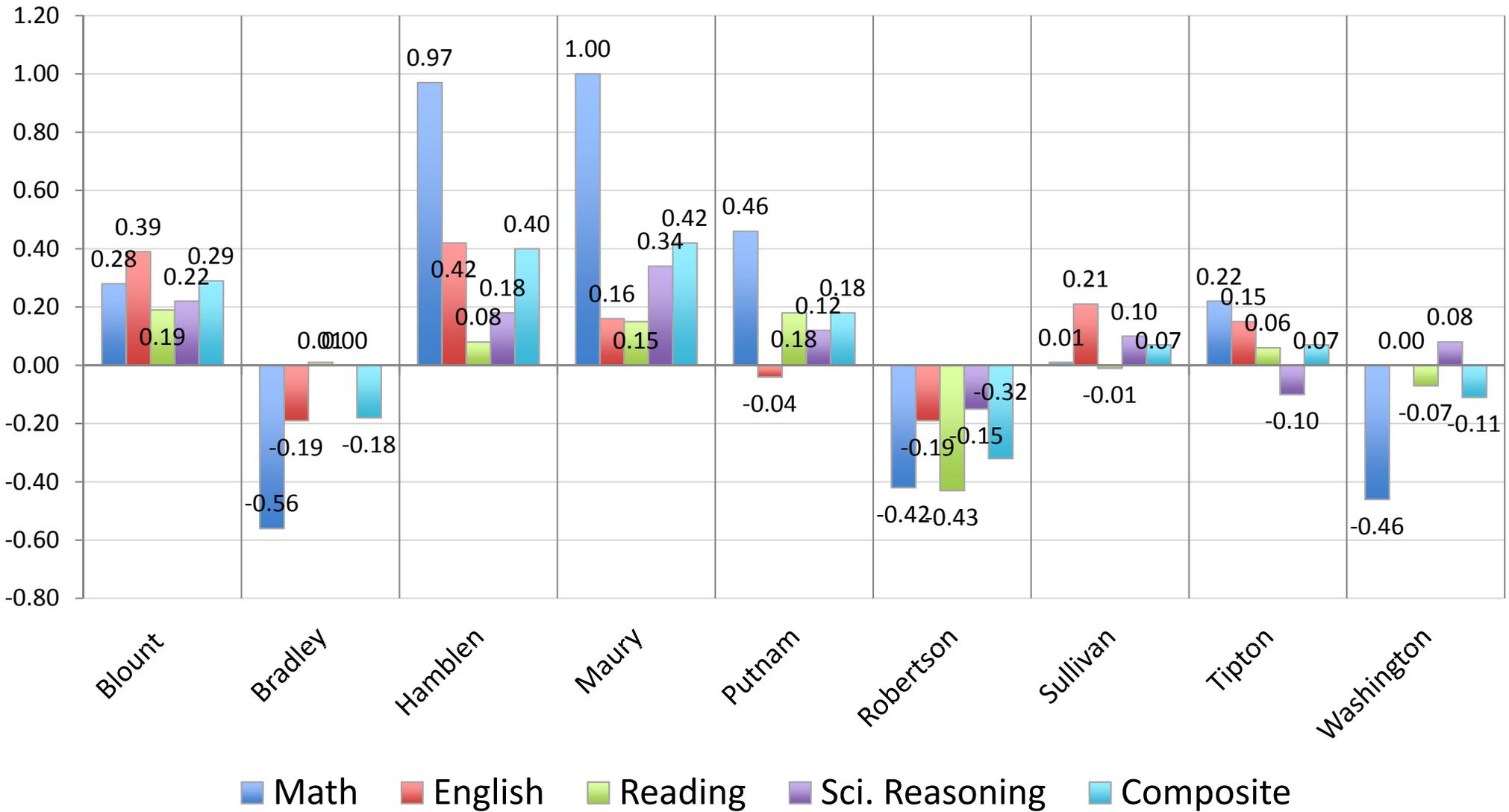
Source: TVAAS Website

2011 System Value-Added High School EXPLORE System Effect

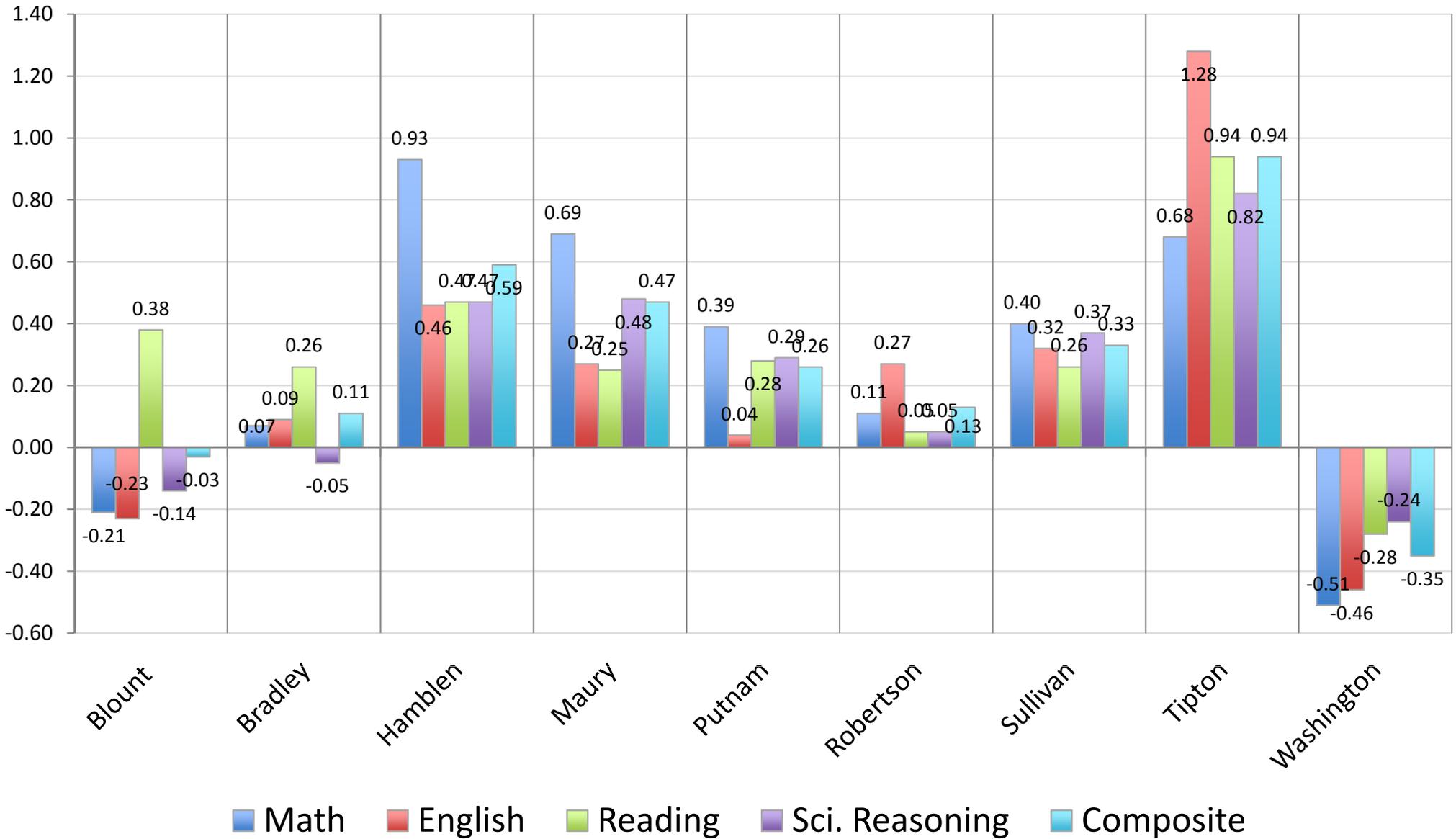


2011 System Value-Added High School PLAN

System Effect



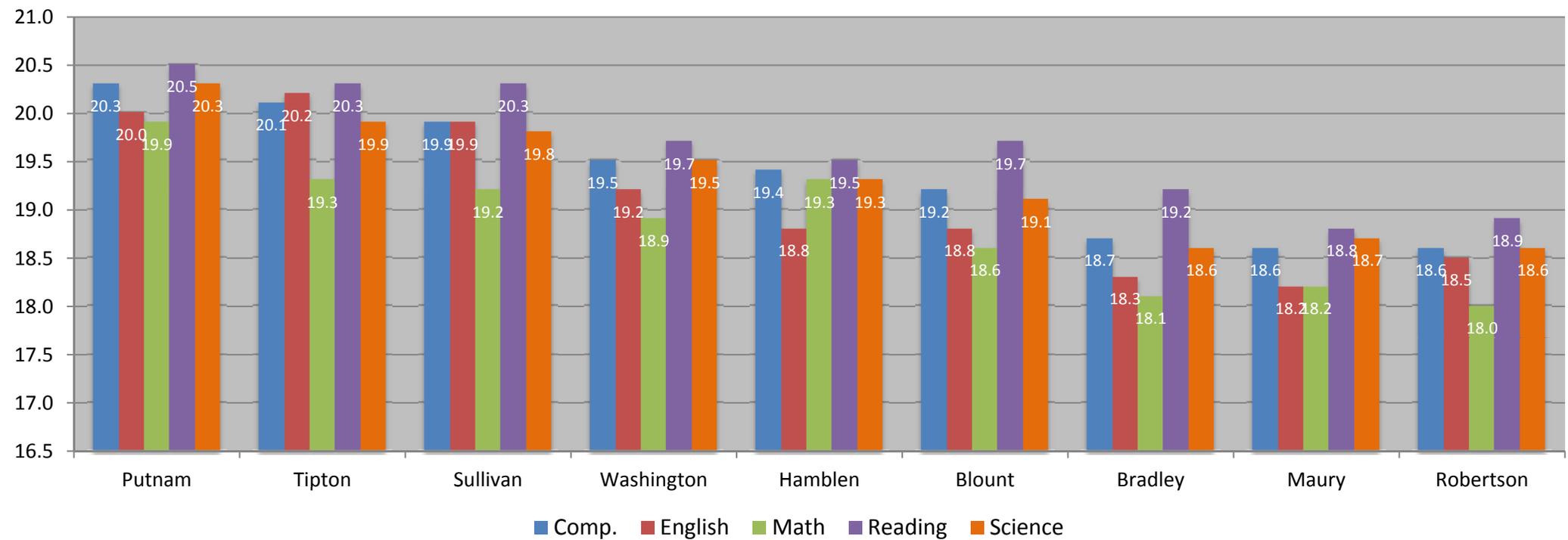
2011 System Value-Added High School ACT System Effect



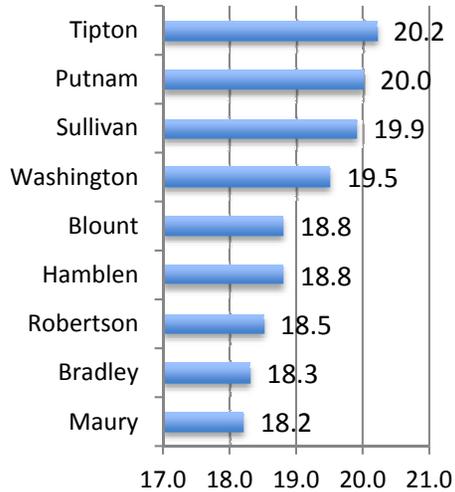
Source: TVAAS Website

ACT, 2011 - Mean Scale Scores

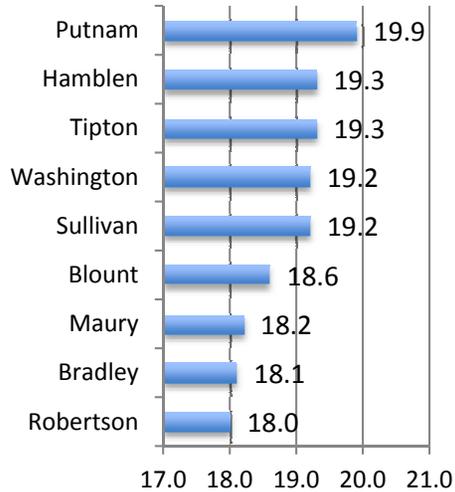
Composite Scale Score Sort



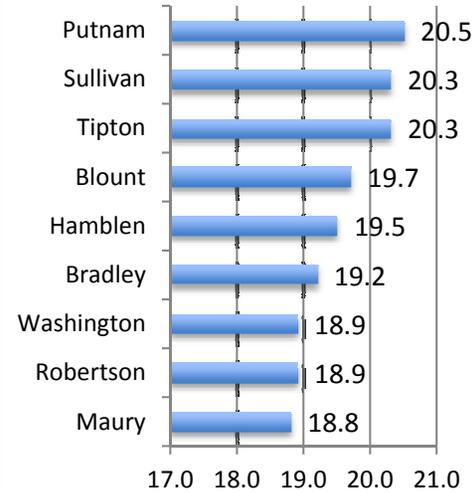
English



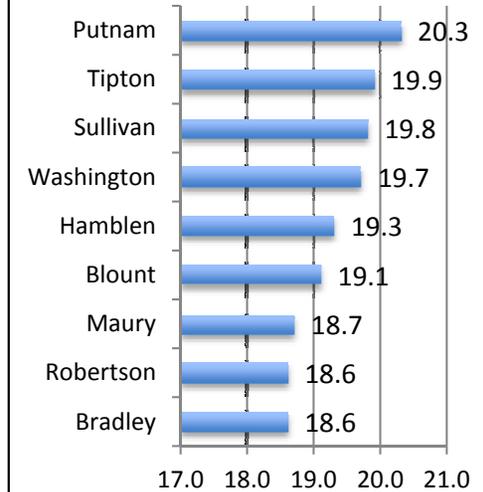
Math



Reading

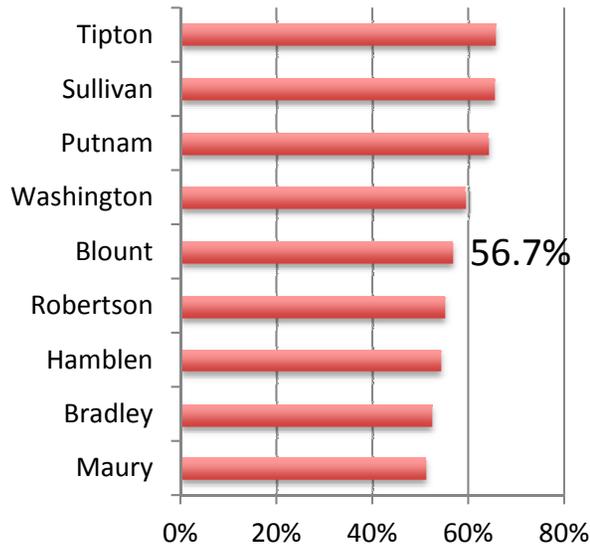


Science

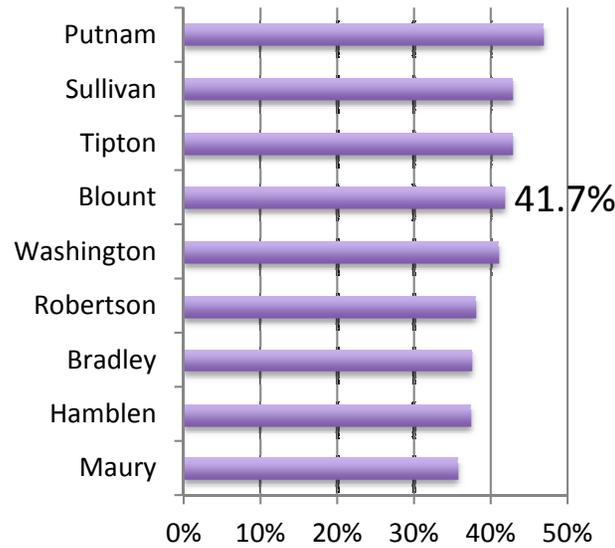


Percentage of College Readiness

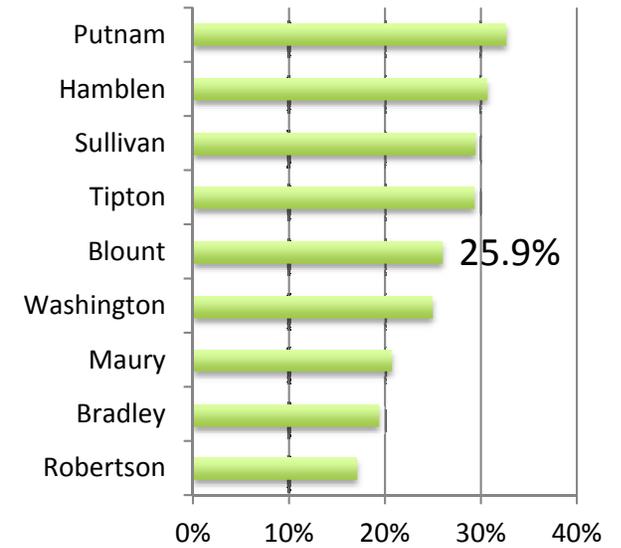
English



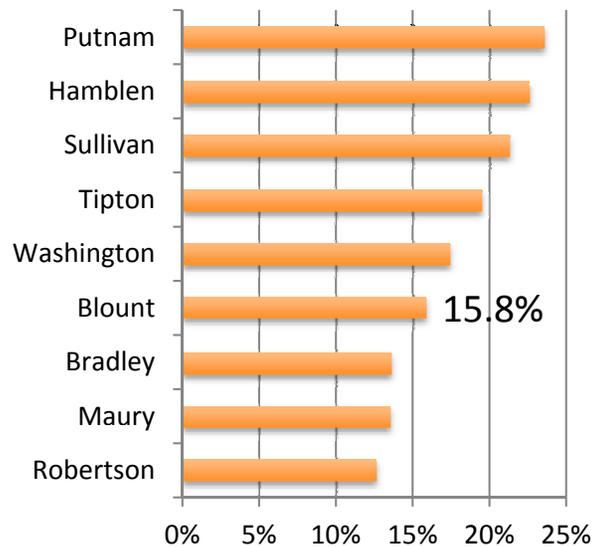
Reading



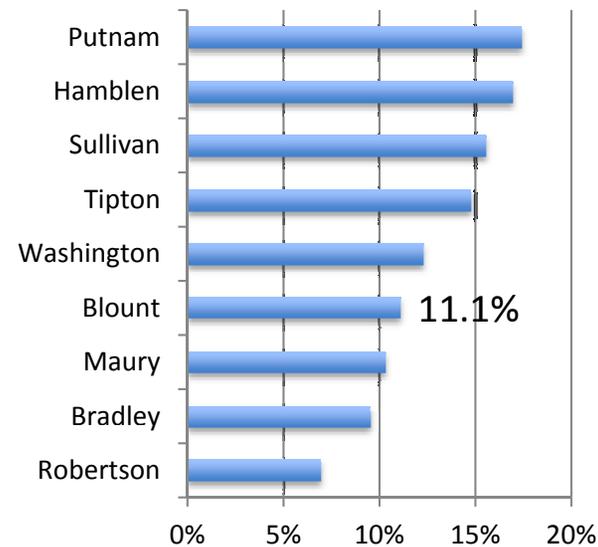
Math



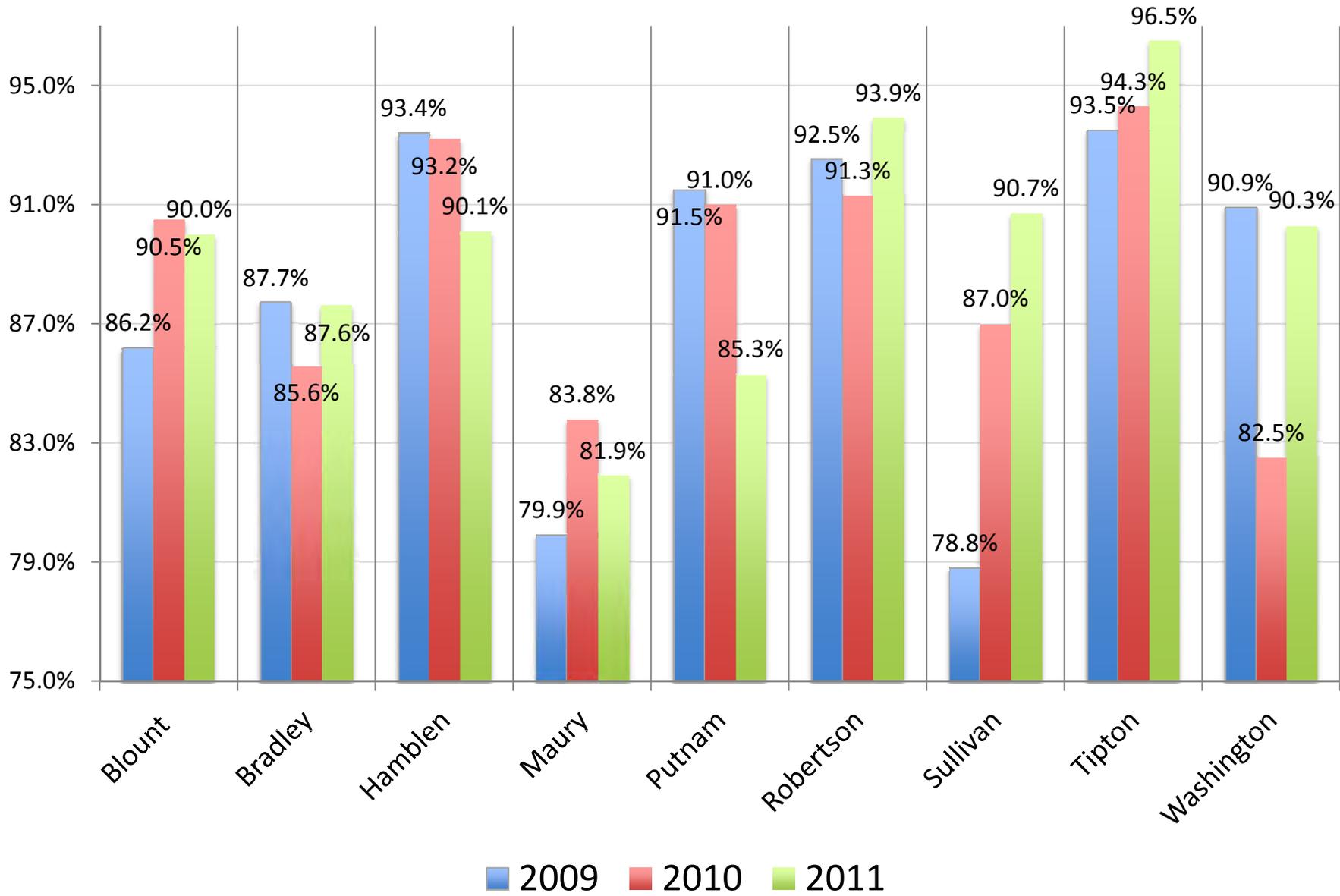
Science



All 4



2011 Graduation Rate (NCLB)



Blount County Schools Report Card, 2011

Report from the Director

Our mission is to maximize the academic potential of every child in a safe and personalized environment. BCS will graduate students who are college and career ready and prepared to meet the challenges of the twenty-first century workplace.

Academic Growth (TVAAS)

- 2010/2011-

Subject	2010 Score	2011 Score	2010 Grade	2011 Grade	5-Year Goal Score (2015)	10-Year Goal Grade (2020)
Math	0.0	1.9	C	A	≥ 2.0	A
Reading/Language Arts	-1.1	-0.3	D	C	≥ 2.0	A
Science	-2.3	-1.5	F	D	≥ 1.5	B
Social Studies	0.2	1.0	C	B	≥ 1.0	B

Academic Achievement

- 2010/2011 -

Subject	2010 Score	2011 Score	2010 Grade	2011 Grade	5-Year Goal Score (2015)	5-Year Goal Grade (2015)
Math	49	51	C	B	55	A
Reading/Language Arts	49	49	C	C	55	A
Science	49	50	C	B	52	B
Social Studies	51	52	C	B	52	B

Writing Assessment 2011

Grade 5 – A

Grade 8 – A

Grade 11 – A

ACT

- 2010/2011-

Subject	2010	2011	3-Yr. Avg.	3-Yr. Avg.	5-Year Goal (2015)	10-Year Goal (2020)
Composite	19.3	19.2	20.1	19.7	20.5	21.5
English	19.0	18.8	20.0	19.5	20.8	22.0
Math	18.9	18.6	19.3	19.0	20.3	21.5
Reading	19.8	19.7	20.9	20.3	21.0	22.0
Science	19.0	19.1	19.8	19.4	20.0	21.0

All BCS 11th grade students take the ACT.

Comparative System Study

INVESTMENT TO PERFORMANCE SCORE SHEET

System	Student – Principal Ratio Rank <i>(slide #29)</i>	School – Supervisor Ratio Rank <i>(slide #33)</i>	Educational Leadership Investment Average
Robertson	4	2	3.0
Washington	2	4	3.0
Tipton	6	1	3.5
Maury	3	5	4.0
Putnam	1	7	4.0
Bradley	9	3	6.0
Sullivan	5	8	6.5
Hamblen	7	6	6.5
Blount	8	9	8.5

System	Per Pupil Expenditure, 2010- 2011 (slide #14)	School Funding/Property Tax “Value” Rank (slide #11)	Financial Investment in Education average
Maury	2	1	1.50
Sullivan	1	7	4.00
Putnam	4	4	4.00
Tipton	7	2	4.50
Robertson	6	3	4.50
Washington	5	6	5.50
Blount	3	8	5.50
Hamblen	9	5	7.00
Bradley	9	9	9.00

System	Educational Leadership Investment Average (slide #71)	Financial Investment in Education average (slide #72)	“Investment in Education” average
Maury	4.0	1.50	2.75
Robertson	3.0	4.50	3.75
Putnam	4.0	4.00	4.00
Tipton	3.5	4.50	4.00
Washington	3.0	5.50	4.25
Sullivan	6.5	4.00	5.25
Blount	8.5	5.50	7.00
Hamblen	6.5	7.00	6.75
Bradley	6.0	9.00	7.50

System	TCAP Math, 3- year- average (slide #42)	TCAP, Read/Lang. Arts, 3-year- average (slide #46)	TCAP Science, 3- year- average (slide #50)	TCAP Social Studies, 3- year- average (slide #54)	TCAP Dividend Average
Tipton	1	3	3	5	3.00
Hamblen	3	5	1	3	3.00
Blount	2	4	5	1	3.00
Washington	4	1	9	4	4.50
Maury	7	2	2	8	4.75
Robertson	5	6	8	2	5.25
Putnam	6	7	4	6	5.75
Sullivan	8	8	6	7	7.75
Bradley	9	9	7	9	8.50

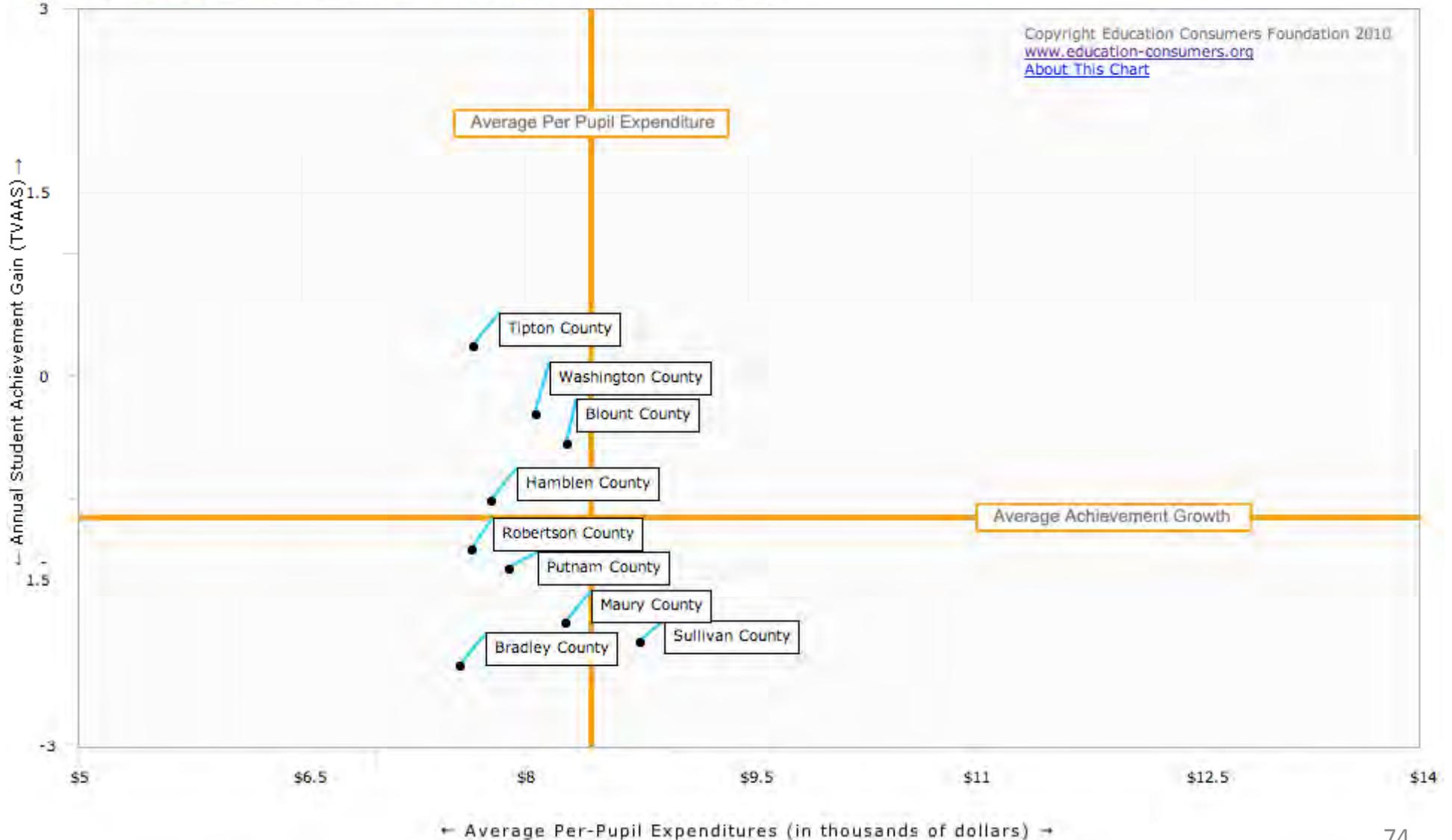
System	“Investment in Education” average (slide #73)	“System Academic Achievement” average (slide #76)	Investment : Performance Index
Hamblen	6.75	3.168	3.582
Tipton	4.00	2.000	2.000
Blount	7.00	5.418	1.582
Bradley	7.50	7.375	0.125
Robertson	3.75	4.230	-0.480
Sullivan	5.25	5.770	-0.520
Putnam	4.00	5.605	-1.605
Washington	4.25	6.375	-2.125
Maury	2.75	5.105	-2.355

In the dollar’s end, the taxpayer of Blount County is getting a greater performance result from the Blount County School system.

Spending vs. Performance

Expenditures vs. Student Achievement Growth in Tennessee School Districts (2010)

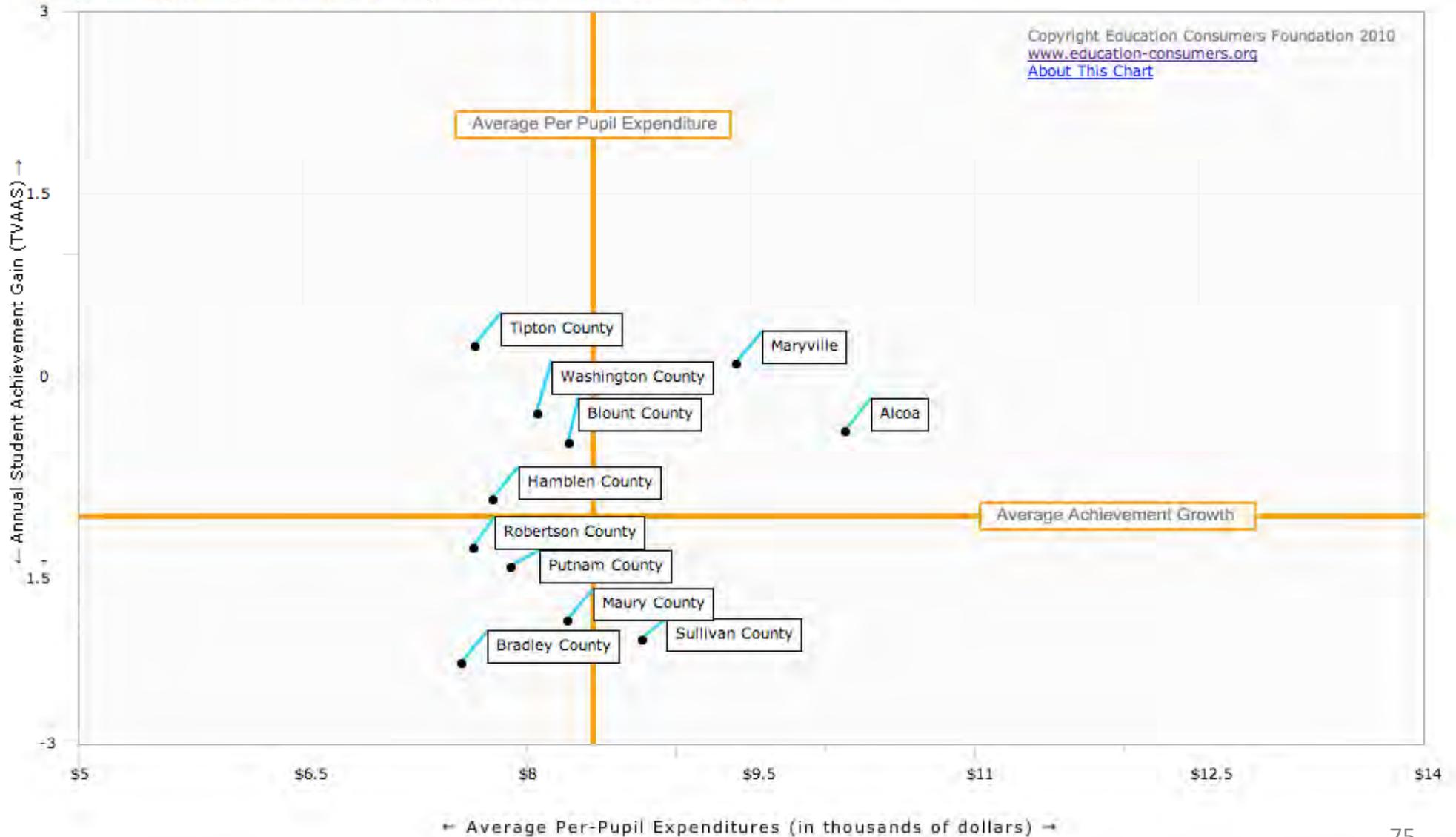
Per-pupil spending (in thousands of \$) vs. reading/math TVAAS student achievement gains



Spending vs. Performance

Expenditures vs. Student Achievement Growth in Tennessee School Districts (2010)

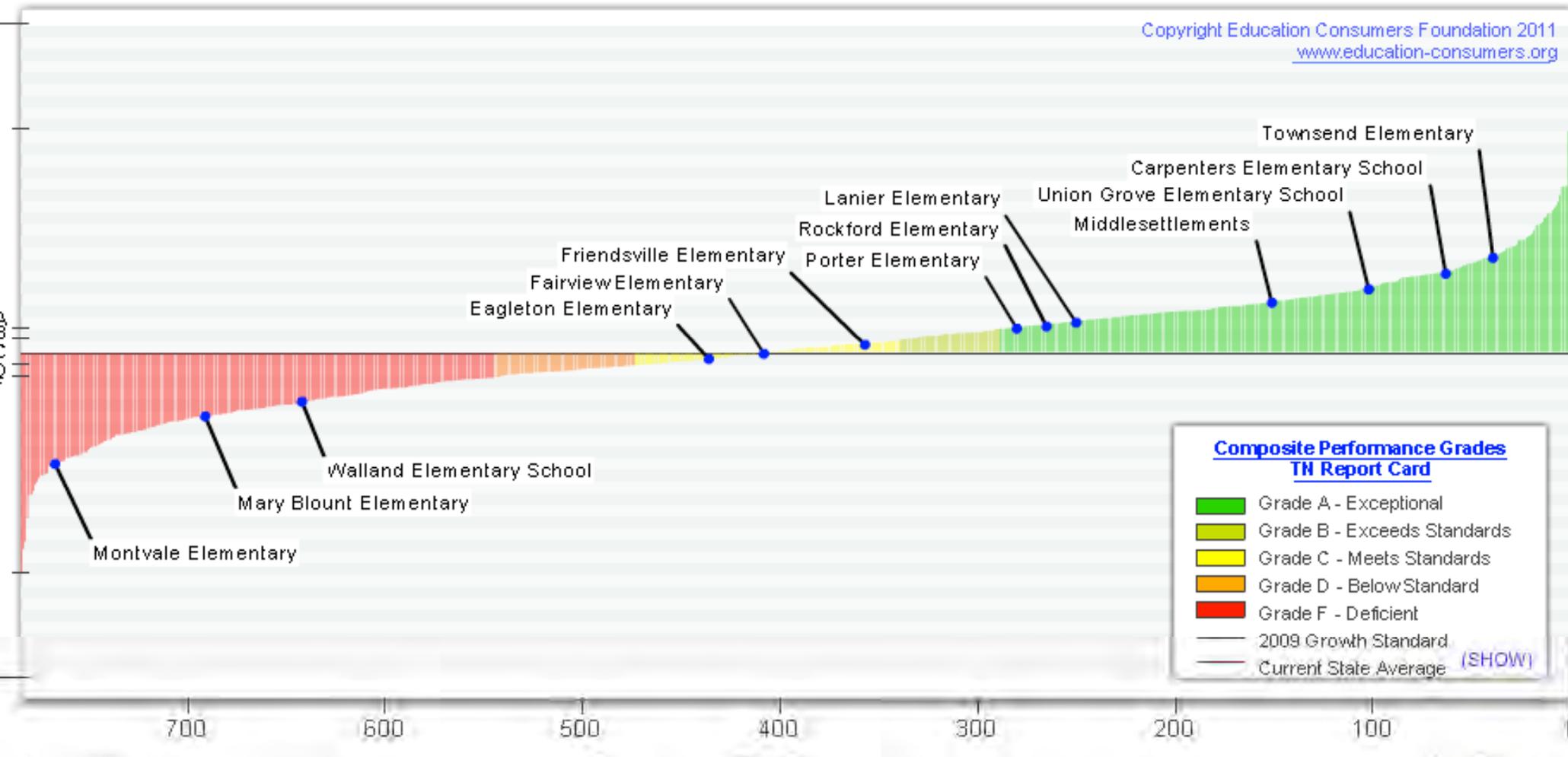
Per-pupil spending (in thousands of \$) vs. reading/math TVAAS student achievement gains



All K-5 School Effectiveness 2011

Schools Ranked by Early Achievement Gain 2009-2011

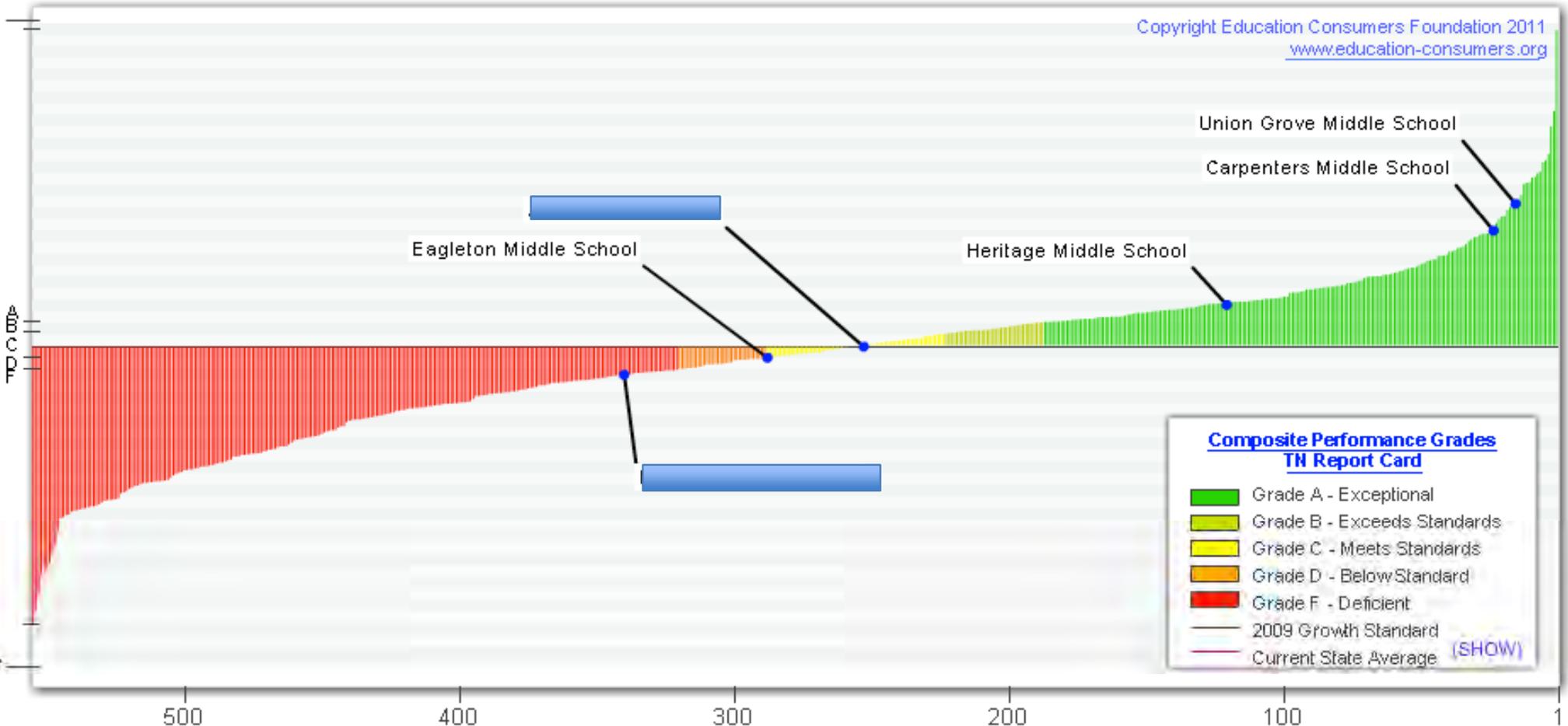
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Middle School Effectiveness 2011

Tennessee K-8 & Middle School Effectiveness
 Schools Ranked by Yearly Achievement Gain 2009-2011

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UGMS is ranked 16th and CMS is ranked 24th in School Effectiveness out of about 650 middle schools in the state

Summary

- Spending less than the state average yet performing above the state average equals an efficient and effective school system.
- Our improvements and positive results are worth investing in as we have a need to reach higher standards
- We have a strategic plan that provides us a map or coordinated plan for improvement. This five year plan is designed to help us meet or exceed our goals and accomplish the new and higher standards

Educational Excellence for
all students!

Thank You!

Comparative System Study

CONCLUSION

Fund Balance % of Operating Budget, 6-30-10

