



AGENDA
BLOUNT COUNTY BOARD OF COMMISSIONERS
THURSDAY, DECEMBER 15, 2005, 7:00 P.M.

- A. **PRAYER** – Rev. Rob Hoffman, Victory Baptist Church.
- B. **PLEDGE** – Heritage High School Air Force Jr. ROTC.
- C. **ROLL CALL.**
- D. **APPROVAL OF MINUTES:**
 - 1. November 17, 2005 meeting.
- E. **“BEST OF BLOUNT”** – Blount County Public Library.
- F. **INPUT ON ITEMS NOT ON AGENDA.**
- G. **INPUT ON ITEMS ON THE AGENDA.**
- H. **RESOLUTIONS FOR SPECIAL RECOGNITION, MEMORIALS, ETC.**
- I. **SETTING OF AGENDA.**
- J. **ELECTIONS, APPOINTMENTS, AND CONFIRMATIONS:**
 - 1. Approval of Deputy Sheriff and Notary Public bonds and oaths.
 - 2. Election of Notaries.
 - 3. Report of Nominating Committee and election of members to boards and committees:
 - a. Robby Kirkland – Insurance/Risk Management Committee.
- K. **REPORTS - COUNTY OFFICIALS, STANDING AND SPECIAL COMMITTEES:**
 - 1. Report of Financial Management Committee:
 - a. Budget transfers:
 - General County Fund - \$2,000.00.
 - b. Budget increases/decreases:
 - Resolution to amend General Purpose School Fund Budget - \$26,840.00.
 - Resolution to amend General Purpose School Fund Budget - \$7,500.00.
 - Resolution to amend General Purpose School Fund Budget - \$13,173.00.
 - Resolution to amend General Purpose School Fund Budget - \$131,000.00.
 - Resolution to amend General Purpose School Fund Budget - \$486,100.00.
 - Resolution to amend Cafeteria Fund Budget - \$23,200.00.
 - Resolution to amend Extended School Fund Budget - \$13,000.00.
 - Resolution to amend General County Fund Budget - \$5,000.00.
 - c. Other Financial Management Committee items:
 - Resolution to allow the capital funding requests as presented by the School Department.
 - Resolution to allow the purchase of property for establishing the Blount County Fairgrounds.
 - 2. Report of Public Services Committee.
 - 3. Report of Intergovernmental Committee.
 - 4. Report of Education Committee.
 - 5. Report of Insurance/Risk Management Committee.
 - 6. Any other committee reports.
- L. **UNFINISHED BUSINESS.**
- M. **NEW BUSINESS:**
 - 1. Discussion and possible action regarding resolution authorizing the execution and delivery of a lease agreement with respect to a civic arts center; approving the issuance of bonds by the Industrial Development Board of Blount County, Tennessee to finance such civic arts center; consenting to the assignment of the County's obligations under the lease agreement; agreeing pursuant to the lease to levy and collect a direct annual tax sufficient to pay the rental payable under such lease as and when it becomes due and payable; approving the execution of interest rate swap documents in connection with the bonds and/or lease; and authorizing the execution of a development and operating agreement relating to the construction and operation of the Civic Arts Center.
 - a. Resolution designating Blount County's share of the Hotel/Motel Tax to the General Debt Service Fund.
 - 2. Resolution to oppose Public Chapter No. 504, amending TCA section 55-10-403 regarding the punishment of driving under the influence of an intoxicant
 - 3. Endorsement of plan to name Highway 72 the “278th RCT Memorial Highway.
 - 4. Resolution regarding the addition of an extension of Harold Drive to the Official Roads List for Blount County, Tennessee.
 - 5. Resolution requesting that the Blount County Legislative Delegation seek immediate authority for Blount County to implement and collect a privilege tax on new residential and nonresidential land development in the county.
 - 6. Discussion and possible action regarding contract with Strategic Employee Benefit Services for Blount County Government brokerage services for medical and dental group insurance.
 - 7. Resolution that approves an agreement which extends beyond the end of the current fiscal year for maintenance by Indentix Incorporated.
 - 8. Resolution to allow safe passage in Blount County, Tennessee for a certain visitor from the North Pole.
- N. **ANNOUNCEMENTS AND STATEMENTS.**

**STATE OF TENNESSEE
COUNTY OF BLOUNT**

BE IT REMEMBERED, that a meeting of the Blount County Board of County Commissioners was held on Thursday, November 17, 2005, at 7:00 pm at the courthouse in Maryville, Tennessee. Ron Dunn, Deputy Sheriff of Blount County, legally opened the Board. Rev. Darryll Rasnake, of the Friendsville United Methodist Church, gave the invocation, and William Blount Air Force Jr. ROTC led in the pledge to the American Flag.

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

Bob Arwood - present	David Graham – present	Kenneth Melton – present
Keith Brock – present	Steve Gray – present	Dan Neubert, Sr. – present
Dennis Cardin – present	Steve Hargis – present	Robert Ramsey – present
Donna Dowdy – present	John Keeble – present	Otto Slater – present
W. C. Evans – absent	Bob Kidd – present	Ernie Tallent – present
Joe Everett – present	Robby Kirkland – present	Shirley Townsend – present
Gary Farmer - present	Jeff McCall – present	Mike Walker – present

There were 20 present and 1 absent. Chairman Ramsey declared a quorum to exist. The following proceedings were held to-wit:

**IN RE: APPROVAL OF MINUTES OF OCTOBER 20, 2005 MEETING and
APPROVAL OF MINUTES OF NOVEMBER 8, 2005 ZONING PUBLIC HEARING.**

Commissioner Brock made a motion to approve the minutes of the meetings. Commissioner Neubert seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: “BEST OF BLOUNT.”

Paul Bales gave a presentation on the Empty Pantry Fund.

**IN RE: RESOLUTION HONORING OUR MEMBERS OF THE TENNESSEE NATIONAL GUARD and
RESOLUTION HONORING JAMES PATTY, RUSTY HOLBERT, AND JEFF HATCHER FOR
THEIR CONTRIBUTIONS TO THE VICTIMS OF HURRICANE KATRINA and
RESOLUTION HONORING THE BLOUNT COUNTY EMERGENCY DISASTER RESPONSE
TEAM FOR THEIR CONTRIBUTIONS TO THE VICTIMS OF HURRICANE KATRINA and
RESOLUTION HONORING TOM HATCHER FOR HIS OUTSTANDING CONTRIBUTIONS TO
THE CITIZENS OF BLOUNT COUNTY, TENNESSEE.**

Commissioner Brock made a motion to approve the resolutions. Commissioner Farmer seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: SETTING OF AGENDA.

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

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

**IN RE: RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT
WITH RESPECT TO A CIVIC ARTS CENTER; APPROVING THE ISSUANCE OF BONDS BY
THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE TO FI-
NANCE SUCH CIVIC ARTS CENTER; CONSENTING TO THE ASSIGNMENT OF THE
COUNTY’S OBLIGATIONS UNDER THE LEASE AGREEMENT; AGREEING PURSUANT TO
THE LEASE TO LEVY AND COLLECT A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE
RENTAL PAYABLE UNDER SUCH LEASE AS AND WHEN IT BECOMES DUE AND PAY-
ABLE; APPROVING THE EXECUTION OF INTEREST RATE SWAP DOCUMENTS IN CON-
NECTION WITH THE BONDS AND/OR LEASE; AND AUTHORIZING THE EXECUTION OF A
DEVELOPMENT AND OPERATING AGREEMENT RELATING TO THE CONSTRUCTION AND
OPERATION OF THE CIVIC ARTS CENTER.**

Commissioner Keeble made a motion to approve the resolution. Commissioner Tallent seconded the motion.

A roll call vote was taken:

Arwood - aye	Farmer – nay	Kirkland – nay	Tallent - aye
Brock – aye	Graham – nay	McCall – aye	Townsend – nay
Cardin – nay	Gray – aye	Melton – nay	Walker – nay
Dowdy – nay	Hargis – nay	Neubert – nay	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 10 voting aye, 10 voting nay, and 1 absent. Chairman Ramsey declared the motion to have failed.

IN RE: RESOLUTION TO AMEND THE ZONING MAP OF BLOUNT COUNTY, TENNESSEE FROM S-SUBURBANIZING DISTRICT TO C-COMMERCIAL DISTRICT FOR PROPERTY DESCRIBED AS 1211 WILLIAM BLOUNT DRIVE, TAX MAP 67.00 PARCEL 31, FOR A DEPTH OF 600 FEET OFF OF THE WILLIAM BLOUNT DRIVE RIGHT-OF-WAY.

Commissioner Graham made a motion to approve the resolution. Commissioner Everett seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: RESOLUTION TO APPROVE AND ACCEPT THE BOND AND OATHS OF DEPUTY SHERIFFS, AND THE BONDS AND OATHS OF NOTARIES OF BLOUNT COUNTY, TENNESSEE.

Commissioner Walker made a motion to approve the resolution. Commissioner Farmer seconded the motion.

A roll call vote was taken:

Arwood - nay	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 19 voting aye, 1 voting nay, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: ELECTION OF NOTARIES.

Commissioner Hargis made a motion to approve the following as notaries:

Brandilyn Jaye Burchfiel	Faith D. Glazer	Sheila S. Overly
Crystal L. Burnes	Kay Garrison	Grace B. Ownsby
Kimberly R. Byrd	Matthew C. Haralson	Jayne Rahe
Rebecca Jean Chilcutt	Sandra M. Hudgens	Brandi M. Rayburn
Cindy D. Cole	Scilla R. Kirk	Kevin Renfro
Dean Denton	Linda Longmire	Traci Russ
Jeffrey Lloyd Drake	Jackie Lyons	Carolyn Sharp
Robert L. Drake	Donna McClain	Amanda Studer
Judy E. Ellis	Carl P. McDonald	B. J. Ward
Margo K. Emert	Jan Miller	Linda Williamson
Nadine Finchum	Patricia J. Nelson	Terry L. Yoakum

Commissioner Farmer seconded the motion.

A roll call vote was taken:

Arwood - aye	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 20 voting aye and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: ELECTION OF GARY FERGUSON, JUSTIN TEAGUE, RON DUNN, DAVID DUGGAN, ROBERT RAMSEY, JOE EVERETT, REPRESENTATIVE FROM SOLID WASTE AUTHORITY, AND KRISTI FALCO (EX-OFFICIO) TO THE AD HOC COMMITTEE TO STUDY ENVIRONMENTAL COURT ISSUES.

Commissioner Gray made a motion to elect Gary Ferguson, Justin Teague, Ron Dunn, David Duggan, Robert Ramsey, Joe Everett, representative from Solid Waste Authority, and Kristi Falco (ex-officio) to the Ad Hoc Committee to Study Environmental Court Issues. Commissioner Neubert seconded the motion.

A roll call vote was taken:

Arwood - aye	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – abstain	
Everett – abstain	Kidd – absent	Slater – aye	

There were 18 voting aye, 2 abstaining, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: RESOLUTION TO AMEND GENERAL COUNTY FUND BUDGET - \$10,836.00 and RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$500.00 and RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$77,566.00 and RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$45,000.00 and RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$15,000.00 and RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$180,000.00.

Commissioner Walker made a motion to approve the resolutions. Commissioner Cardin seconded the motion.

A roll call vote was taken:

Arwood - nay	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 19 voting aye, 1 voting nay, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET - \$20,122.00.

Commissioner Walker made a motion to approve the resolution. Commissioner Cardin seconded the motion.

A roll call vote was taken:

Arwood - nay	Farmer – aye	Kirkland – nay	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – nay	Gray – aye	Melton – aye	Walker – aye
Dowdy – abstain	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – pass	Slater – aye	

There were 15 voting aye, 3 voting nay, 1 passing, 1 abstaining, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: RESOLUTION TO AMEND CAPITAL PROJECTS FUND BUDGET - \$910,716.00.

Commissioner Kirkland made a motion to approve the resolution. Commissioner Brock seconded the motion.

A roll call vote was taken:

Arwood - nay	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – nay

Cardin – nay	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – nay	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 16 voting aye, 4 voting nay, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: RESOLUTION TO OPPOSE SENATE JOINT RESOLUTION 1 RELATIVE TO PROPERTY TAX RELIEF.

Commissioner Everett made a motion to approve the resolution. Commissioner Melton seconded the motion.

A roll call vote was taken:

Arwood - nay	Farmer – nay	Kirkland – nay	Tallent - aye
Brock – aye	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – nay	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 16 voting aye, 4 voting nay, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: REPORTS.

Commissioner Melton made a motion to approve the reports. Commissioner Hargis seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: RESOLUTION TO AMEND THE ZONING RESOLUTION OF BLOUNT COUNTY, TENNESSEE, TO ADD DEFINITIONS OF OUTDOOR AND INDOOR SPORT SHOOTING RANGE TO ARTICLE 13, ADD SECTION 7.13 FOR SITE PLAN REQUIREMENTS OF SPORT SHOOTING RANGE, AND AMEND SECTIONS 9.1.C, 9.2.C, 9.4.B, AND 9.5.B TO ALLOW SPORT SHOOTING RANGE IN S-SUBURBANIZING, R-1 – RURAL DISTRICT 1, C-COMMERCIAL AND I-INDUSTRIAL ZONES.

Commissioner Everett made a motion to approve the resolution. Commissioner Farmer seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: PROPOSAL FROM THE TENNESSEE DEPARTMENT OF TRANSPORTATION CONCERNING SR-336, BRIDGE AND APPROACHES OVER LITTLE BAKER CREEK (L.M. 0.52).

Commissioner Everett made a motion to approve the proposal. Commissioner Hargis seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: NON-BINDING REFERENDUM ON CONSOLIDATED GOVERNMENT IN BLOUNT COUNTY.

Commissioner Keeble made a motion to approve a non-binding referendum on consolidation of the three local governments in Blount County with the question being should consolidation of the three local governments be considered. Commissioner Arwood seconded the motion.

Commissioner Kidd made a motion to table. Commissioner Brock seconded the motion.

A roll call vote was taken on the motion to table:

Arwood - nay	Farmer – nay	Kirkland – nay	Tallent - nay
Brock – aye	Graham – nay	McCall – aye	Townsend – nay
Cardin – nay	Gray – aye	Melton – nay	Walker – nay
Dowdy – aye	Hargis – nay	Neubert – nay	
Evans – absent	Keeble – nay	Ramsey – aye	
Everett – aye	Kidd – aye	Slater – aye	

There were 8 voting aye, 12 voting nay, and 1 absent. Chairman Ramsey declared the motion to table to have failed.

A voice vote was taken on the original motion with Chairman Ramsey declaring the motion to have passed.

IN RE: HAZARD MITIGATION PLAN.

Commissioner Hargis made a motion to approve the plan. Commissioner Kidd seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: THIRD PARTY ADMINISTRATOR CONTRACT FOR GENERAL LIABILITY AND WORKERS' COMPENSATION CLAIMS.

Commissioner McCall made a motion to approve the contract. Commissioner Brock seconded the motion.

A voice vote was taken with Chairman Ramsey declaring the motion to have passed.

IN RE: BUSINESS TAX REFUND.

Commissioner Melton made a motion to approve the refund. Commissioner Walker seconded the motion.

A roll call vote was taken:

Arwood - aye	Farmer – aye	Kirkland – aye	Tallent - aye
Brock – nay	Graham – aye	McCall – aye	Townsend – aye
Cardin – aye	Gray – aye	Melton – aye	Walker – aye
Dowdy – aye	Hargis – aye	Neubert – aye	
Evans – absent	Keeble – aye	Ramsey – aye	
Everett – aye	Kidd – pass	Slater – aye	

There were 18 voting aye, 1 voting nay, 1 passing, and 1 absent. Chairman Ramsey declared the motion to have passed.

IN RE: ADJOURNMENT.

Commissioner Everett made a motion to adjourn the meeting. Commissioner Cardin seconded the motion. Chairman Ramsey declaring the meeting to be adjourned.

RESOLUTION No. _____

Sponsored by Commissioners Bob Kidd and Keith Brock

A RESOLUTION TO APPROVE AND ACCEPT THE BOND AND OATHS OF DEPUTY SHERIFFS, AND THE BONDS AND OATHS OF NOTARIES OF BLOUNT COUNTY, TENNESSEE.

BE IT RESOLVED, by the Board of Commissioners of Blount County, Tennessee, in session assembled this 15th day of December, 2005:

WHEREAS, Roy Crawford, Jr., Blount County Clerk, has certified according to the records of his office that the persons named on the attached listing labeled "OATHS OF DEPUTY SHERIFFS" have submitted bonds in the required statutory amounts, and have taken their oaths of office; and

WHEREAS, said Roy Crawford, Jr. has certified according to the records of his office that the persons named on the attached listing labeled "NOTARY PUBLIC BONDS AND OATHS" have given approved bonds for the office of Notary Public and have taken their oaths of office.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF BLOUNT COUNTY, TENNESSEE:

1. That the persons named on the attached listing labeled "OATHS OF DEPUTY SHERIFFS" are hereby approved for such and the bonds are accepted and their oaths therefor are approved as taken; and
2. That the persons named on the attached listing labeled "NOTARY PUBLIC BONDS AND OATHS" are hereby approved for such and the bonds are accepted and their oaths therefor are approved as taken; and
3. That each such person named on the listing hereinabove mentioned (which listing is attached hereto and incorporated herein by reference) is hereby deemed to have been individually considered according to the particular matter relating thereto.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

**REPORT FROM THE OFFICE OF THE COUNTY CLERK
TO THE BLOUNT COUNTY COMMISSION
NOTARY PUBLIC BONDS AND OATHS
DATE: DECEMBER 15, 2005**

THE FOLLOWING NOTARIES PUBLIC ELECT OF BLOUNT COUNTY APPEARED IN THE COUNTY CLERK'S OFFICE TO RECEIVE THEIR COMMISSIONS DULY SIGNED BY THE HONORABLE PHIL BREDESEN, GOVERNOR, AND COUNTERSIGNED BY APPROVED BOND OF TEN THOUSAND DOLLARS AND QUALIFIED AS BY LAW REQUIRED:

<u>NAME OF NOTARY PUBLIC</u>	<u>DATE QUALIFIED</u>
Mary Lou Hicks	11-10-2005
Nissa J. Bishop	11-10-2005
Gaylene H. Peek.....	11-10-2005
Debra Phillips.....	11-14-2005
Kendra J. Coffin	11-14-2005
Jennifer G. McClanahan	11-14-2005
Monique Ogle.....	11-14-2005
Susan R. Shipman.....	11-16-2005
Darlene Crisp	11-16-2005
Dorothy J. Hurst.....	11-18-2005
James H. White	11-21-2005
Pam Odom.....	11-28-2005
Deborah M. Beaver.....	11-28-2005
Tracy L. Carico.....	11-28-2005
Trina Norton	11-28-2005
Charles M. Loveday	11-29-2005
Kelly R. Richards	11-29-2005
Sondra K. Bunch.....	11-30-2005
Melanie L. Neal	11-30-2005
G. King.....	12-02-2005
Carolyn Beeco	12-06-2005
Elizabeth Smalling	12-06-2005
Mercia M. McKnight	12-06-2005
Brent Cheatwood	12-06-2005
Latisha Sudderth.....	12-06-2005
Kimberly Blackwell	12-06-2005
Britney Lowery	12-06-2005
Renia Henderson.....	12-06-2005
Tabatha Delozier.....	12-06-2005
Phyllis Gilbert	12-07-2005
Katherine Derry.....	12-07-2005



BLOUNT COUNTY

Office of the County Clerk

345 COURT STREET, MARYVILLE, TENNESSEE 37804-5906

Roy Crawford, Jr.
County Clerk

Telephone (865) 273-5800
Fax (865) 273-5815

NOTARIES TO BE ELECTED DECEMBER 15, 2005

Caroline Denise Bailes
Shirley K. Blair
Mary C. B. Bramblett
Rachael Cox
Pamela B. Davis
Michael L. Dunn
Sue E. Duvall
James C. Eanes, III
David A. Farmer
Beverly D. Gibson
Geneva W. Harrison
Christy R. Holder
Mary Witt Jackson

Cecilia King
Mary A. Love
Mitch Marcum
Carol Miller
Susan E. Miller
Brenda H. O'Conner
Derrick Pesterfield
Nina Potter
Seth Price
Donna K. Reagan
Patti J. Rice
Tina Ridings
Peggy G. Stephenson



BLOUNT COUNTY BOARD OF COMMISSIONERS

359 Court Street

Maryville, TN 37804-5906

Phone (865) 273-5830 - Fax (865) 273-5832



Commissioners

Robert Ramsey - Chairman November 9, 2005

Bob Arwood

Keith Brock

Dennis Cardin

Donna Dowdy

W. C. (Bob) Evans

Joe Everett

Gary Farmer

David Graham

Steve Gray

Steve Hargis

John Keeble

Bob Kidd

Robby Kirkland

Jeff McCall

Kenneth Melton

Dan Neubert, Sr.

Otto Slater

Earnest C. Tallent, Jr.

Shirley Townsend

Mike Walker

Mr. Jeff McCall, Chairman
Blount County Insurance/
Risk Management Committee
359 Court Street
Maryville, TN 37804

Dear Chairman McCall:

This letter is to inform you of my resignation from the Blount County Insurance Risk Management Committee effective January 1, 2006.

The timing of this letter is such, because, normally the committee does not meet in December and this will allow the full commission to appoint a replacement during the month of December.

The reason for this resignation is as follows. During the 1st quarter of 2006 calendar year I will be required to spend an extensive amount of time on the 2006-2007 Blount County Government Budget process and wish to be able to focus on this task.

I have enjoyed my time serving on this committee and wish the members well in their future endeavors.

Respectfully,

Mike Walker
Blount County Commissioner
District 8 - Seat B

MW/rp

cc: Dr. Robert L. Ramsey, Commission Chairman
Steve Gray, Intergovernmental Committee Chairman

County Clerk

Roy Crawford, Jr.

BUDGET TRANSFERS

(COMMISSION ACTION NEEDED)

<u>FUND</u>	<u>AMOUNT</u>	<u>BUDGET COMMITTEE</u>	<u>VOTE</u>
101 – Gen County Health Department	\$2,000.00	Recommends	5-yes 2-absent

Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
 Fiscal Year

F.2.B

Fund Number 101 Cost Center Number 55110

Fund Name General County Cost Center Name Health Dept.

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
55110-410	CUSTODIAL SUPPLIES	2,000. ⁰⁰
Total Transferred to:		2,000. ⁰⁰

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
55114-717	MAINTENANCE EQUIPMENT	2,000. ⁰⁰
Total Transferred from:		2,000. ⁰⁰

Budget Committee

Date 12-5-05 via

- Approved yes no pass
- Recommended for commission consideration yes no pass
- Declined yes no pass
- Tabled yes no pass
- Deferred yes no pass

Reason for Transfer Request:

Increase in staff and population served.

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

My Roberts 11-30-05
 Signature of Department Head Date

 Signature of County Executive Date

BUDGET INCREASES/DECREASES

(COMMISSION ACTION NEEDED)

<u>FUND</u>	<u>AMOUNT</u>	<u>FINANCE COMM</u>
141 – Schools Adult Education	\$26,840.00	Recommends
141 – Schools Technology	\$7,500.00	Recommends
141 – Schools Guidance Services	\$13,173.00	Recommends
141 – Schools Regular Education	\$131,000.00	Recommends
141 – Schools Regular Education	\$486,100.00	Recommends
143 – Cafeteria Food Services	\$23,200.00	Recommends
146 – Extended School Ext School Program	\$13,000.00	Recommends
101 – General County Gen Welfare Assistance	\$5,000.00	Recommends

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the General Purpose School Fund Budget to appropriate funds to establish a budget for the receipt of additional funding for the Adult Education program; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General Purpose School Fund Budget shall be amended as follows:

REVENUE:

141-000000-471200-00000	Adult Basic Education Federal	\$20,600.00
141-000000-465909-00000	Other State Funds-ABE	\$5,466.00
141-000000-449901-00000	Miscellaneous Revenue	<u>\$774.00</u>
	Total Revenue	<u>\$26,840.00</u>

APPROPRIATION:

141-071600-500116-00000	Teachers.....	\$11,100.00
141-071600-500133-00000	Paraprofessional.....	\$3,600.00
141-071600-500201-00000	Social Security	\$920.00
141-071600-500212-00000	FICA Medicare.....	\$220.00
141-071600-500302-00000	Advertising.....	\$2,000.00
141-071600-500429-00000	Instructional Supplies.....	\$3,000.00
141-071600-500709-00000	Data Processing Equipment	<u>\$6,000.00</u>
	Total Appropriations.....	<u>\$26,840.00</u>

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the General Purpose School Fund Budget to increase the budget due to the receipt of a donation from Sterling Engineering to be used for Channel 5 video equipment; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General Purpose School Fund Budget shall be amended as follows:

REVENUE:

141-000000-445700-00000 Contributions and Gifts **\$7,500.00**

APPROPRIATION:

141-072810-500709-00000 Data Processing Equipment **\$7,500.00**

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the General Purpose School Fund Budget to increase the budget due to a contribution received from the Blount County Education Foundation for TCAP tests for the second grade students of the Blount County Schools; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General Purpose School Fund Budget shall be amended as follows:

REVENUE:

141-000000-445700-00000 Contributions and Gifts **\$13,173.00**

APPROPRIATION:

141-072130-500322-00000 Evaluation and Testing **\$13,173.00**

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the General Purpose School Fund Budget to increase the budget for the retirees' bonus as negotiated with the BCEA for seven retirees from the 04-05 year and an estimated 20 retirees for the 05-06 year; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General Purpose School Fund Budget shall be amended as follows:

REVENUE:

141-000000-499998-00000 Use of Fund Balance **\$131,000.00**

APPROPRIATION:

141-071100-500116-00000 Teachers.....\$121,500.00

141-071100-500201-00000 Social Security \$7,600.00

141-071100-500212-00000 FICA Medicare..... **\$1,900.00**

Total Appropriations..... \$131,000.00

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____

County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND GENERAL PURPOSE SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the General Purpose School Fund Budget to increase the budget for the mid-year 2% raise as negotiated with the BCEA for all school employees; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General Purpose School Fund Budget shall be amended as follows:

REVENUE:

141-000000-499998-00000 Use of Fund Balance **\$486,100.00**

APPROPRIATION:

141-071100-500189-00000 Other Salaries and Wages.....\$426,500.00

141-071100-500201-00000 Social Security\$27,000.00

141-071100-500204-00000 State Retirement.....\$25,600.00

141-071100-500212-00000 FICA Medicare..... **\$7,000.00**

Total Appropriations..... \$486,100.00

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____

County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND THE CAFETERIA FUND BUDGET.

WHEREAS, Blount County would like to amend the Cafeteria Fund Budget to increase the budget for the mid-year 2% raise as negotiated with the BCEA for all school employees; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the Cafeteria Fund Budget shall be amended as follows:

REVENUE:

143-000000-499998-00000 Use of Fund Balance \$23,200.00

APPROPRIATION:

143-073100-500105-00000	Supervisor	\$500.00
143-073100-500119-00000	Accountants	\$600.00
143-073100-500162-00000	Clerical.....	\$200.00
143-073100-500165-00000	Cafeteria	\$19,200.00
143-073100-500201-00000	Social Security	\$1,300.00
143-073100-500204-00000	State Retirement.....	\$1,100.00
143-073100-500212-00000	FICA Medicare.....	<u>\$300.00</u>

Total Appropriations..... \$23,200.00

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND THE EXTENDED SCHOOL FUND BUDGET.

WHEREAS, Blount County would like to amend the Extended School Fund Budget to increase the budget for the mid-year 2% raise as negotiated with the BCEA for all school employees; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the Extended School Fund Budget shall be amended as follows:

REVENUE:

146-000000-499998-00000 Use of Fund Balance **\$13,000.00**

APPROPRIATION:

146-073300-500103-00000 Supervisor \$550.00

146-073300-500162-00000 Clerical..... \$450.00

146-073300-500169-00000 Part-Time Personnel.....\$10,400.00

146-073300-500201-00000 Social Security \$800.00

146-073300-500204-00000 State Retirement..... \$600.00

146-073300-500212-00000 FICA Medicare..... **\$200.00**

Total Appropriations..... \$13,000.00

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: ____

County Mayor

Date

RESOLUTION No. _____

Sponsored by: Bob Kidd and Kenneth Melton

A RESOLUTION TO AMEND THE GENERAL COUNTY FUND BUDGET.

WHEREAS, Blount County would like to amend the General County Fund Budget to appropriate funds due to the receipt of a grant from Alcoa for the Imagination Library; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the General County Fund Budget shall be amended as follows:

REVENUE:

101-000000-481110-00000 Contributions \$5,000.00

APPROPRIATION:

101-055510-500316-00000 Appropriations to Other..... \$5,000.00

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

OTHER BUDGET ITEMS

(COMMISSION ACTION NEEDED)

<u>ITEM</u>	<u>FINANCE COMM</u>
1. Schools Long Term Capital Plan	Recommends
2. Fairgrounds Property	Recommends

RESOLUTION No. _____

Sponsored by: _____ and _____

**A RESOLUTION TO ALLOW THE CAPITAL FUNDING REQUESTS AS PRESENTED
BY THE SCHOOL DEPARTMENT.**

WHEREAS, Blount County would like to allow the funding of capital requests for each individual school as detailed in the report from the school department, which is attached; and

WHEREAS, it is deemed to be in the best interest of Blount County to amend the School Department budget to cover such needs.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the School Department be granted the funding (all or part of) the aforementioned capital requests.

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____
County Mayor

Date

F.6.B

Capital Improvement Projects

School	Project	Year 1 2005-2006	Year 2 2006-2007	Year 3 2007-2008	Year 4 2008-2009	Year 5 2009-2010	Year 6 2010-2011	Year 7 2011-2012
Carpenters	Heat and air system		\$30,000	\$30,000				
Carpenters	Paint building						\$35,000	
Carpenters	Upgrade furniture						\$8,000	
Carpenters	Replace computers & Printers		\$210,000					
Carpenters	Replace switches			\$7,000				
EES	Paint building							\$25,000
EES	Upgrade Furniture							\$8,000
EES	Fencing for front fields			\$13,000				
EMS	Carpet in band room			\$6,000				
EMS	Lighting in the library		\$6,000					
EMS	Replace lockers			\$30,000				
EMS	Paint building						\$30,000	
EMS	Paving			\$34,000				
EMS	New Library Furniture		\$13,000					
EMS	Replace Computers and printers		\$120,000					
EMS	Canopy over bus pick-up area			\$14,000				
Everett	Upgrade furniture			\$8,000				
Everett	Security upgrades		\$7,000					
Everett	Technology upgrades		\$3,000					
Everett	Paint building			\$8,000				
Everett	Upgrade furniture				\$7,000			
Everett	Replace switches			\$1,000				
Everett	Carpeting				\$4,000			
Fairview	Paint building							\$25,000
Friendsville	Renovate student bathrooms				\$4,000			
Friendsville	Replace gym bleachers			\$80,000				
Friendsville	Paint main building			\$14,000				
Friendsville	Paving							
Friendsville	Gym window replacement						\$14,000	
Friendsville	Replace computers & Printers		\$60,000					
Friendsville			\$2,000					
Friendsville	Replace roof		\$225,000					
Friendsville	Add outdoor lighting			\$8,000				
HHS	Waterproofing gym wall		\$4,500					
HHS	Replace star projector's slip rings		\$120,000					
HHS	New carpet seating in planetarium			\$38,000				
HHS	Paving				\$60,000			
HHS	Paint main and vocational buildings					\$42,000		
HHS	Upgrade security system		\$22,000					
HHS	Replace switches			\$7,000				
HMS	Upgrade Furniture					\$8,000		

HHS	Replace theatre lighting		\$105,000					
HMS	Replace Interior door locks)			\$4,000				
HMS	Paint building				\$17,000			
Lanier	Upgrade furniture		\$8,000					
Lanier	Paint building					\$17,000		
Lanier	Replace 3,4,5th grade computers and printers		\$50,000					
Lanier	Exterior lighting		\$13,000					
MBE	Heat & air for maintenance office			\$3,500				
MBE	Upgrade furniture							\$8,000
MBE	Paint building					\$25,000		
MBE	Replace student computers and printers				\$90,000			
MBE	Pull gates to secure hallways		\$9,000					
MES	Paint entire building		\$13,000					
MES	Upgrade furniture		\$8,000					
MES	Paving			\$28,000				
MES	Replace 3,4,5th grade computers and printers		\$60,000					
MES	Replace switches			\$2,000				
MES	Add outdoor lighting				\$8,000			
MES	Replace Roof		\$225,000					
Montvale	Waterproofing gym wall			\$3,900				
Montvale	Replace Roof			\$225,000				
Montvale	Upgrade furniture			\$8,000				
Montvale	Paving			\$29,000				
Montvale	Paint Montvale		\$16,000					
Montvale	Replace 3,4,5th grade computers and printers			\$82,000				
Montvale	Replace switches			\$2,000				
Porter	Paint building							\$30,000
Porter	Replace gym bleachers			\$90,000				
Porter	Paving		\$55,000					
Porter	Replace front covered walkway				\$22,000			
Porter	Repair gym roof			\$20,000				
Porter	Replace gym windows			\$6,000				
Porter	Repair plumbing in gym locker rooms				\$4,000			
Porter	Replace tile in gym foyer		\$4,000					
Porter	Install drop ceiling in gym bathrooms				\$2,500			
Porter	Sinks & toilets changed in gym				\$6,000			
Porter	Replace 3,4,5th grade computers and printers		\$50,000					

Porter	Install new cable TV wiring			\$11,000					
Rockford	Upgrade furniture			\$8,000					
Rockford	Paint Rockford			\$13,000					
Rockford	Replace Intercorn			\$7,000					
Townsend	Paint building				\$11,000				
Townsend	Replace water heater in kitchen		\$12,000						
Townsend	Paving				\$18,000				
Townsend	Add two classrooms							\$145,000	
Townsend	Upgrade furniture				\$8,000				
Townsend	Replace 3,4,5th grade computers and printers		\$29,000						
Walland	Paint building					\$13,000			
Walland	Upgrade furniture					\$8,000			
Walland	Replace bleachers			\$85,000					
Walland	Replace 3,4,5th grade computers and printers		\$34,000						
WBHS	Auditorium Curtains		\$33,000						
WBHS	Auditorium lighting system				\$75,000				
WBHS	Paint main and vocational buildings		\$65,000						
WBHS	Portable Classrooms			\$57,000					
WBHS	Upgrade furniture			\$16,000					
WBHS	Waterproofing gym and library walls		\$10,000						
WBHS	Install two new classroom divider curtains		\$16,000						
WBHS	Paving		\$40,000						
WBHS	Replace switches			\$8,000					
WBMS	Paint building			\$30,000					
WBMS	Science tables and stools - 3 classrooms		\$8,000						
WBMS	Upgrade furniture				\$8,000				
All Schools	Fire Marshall Compliance	\$75,000	\$30,000	\$10,000	\$5,000	\$5,000			
CO	Carpet		\$9,000						
CO	TV equipment		\$8,000						
CO	Replace custodial equipment		\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
CO	Board room sound system		\$12,000						
CO	Paving				\$14,000				
CO	Purchase of land for new Elementary School	\$500,000							
CO	Phase IV		\$1,002,100						
Sub Totals		\$575,000	\$2,754,600	\$1,054,400	\$371,500	\$101,000	\$265,000	\$104,000	

Capital Building Projects

School	Project	Year 1 2005-2006	Year 2 2006-2007	Year 3 2007-2008	Year 4 2008-2009	Year 5 2009-2010	Year 6 2010-2011	Year 7 2011-2012
Carpenters High School	New High School building project (\$42,000,000)	\$2,533,000	\$13,155,667	\$13,155,667	\$13,155,667			
West Side elementary school	New Elementary Building project (\$17,866,896)		\$3,830,448	\$14,036,448				
East Side elementary school	New Elementary Building project (\$18,841,300)			\$3,841,300	\$15,000,000			
Middle School	New Middle School Project (\$21,427,000)				\$4,824,000	\$16,603,000		
Sub Totals		\$2,533,000	\$16,986,115	\$31,033,415	\$32,979,667	\$16,603,000	\$0	\$0
All Project Totals		\$3,108,000	\$19,740,715	\$32,087,815	\$33,351,167	\$16,704,000	\$265,000	\$104,000

Operating Impact

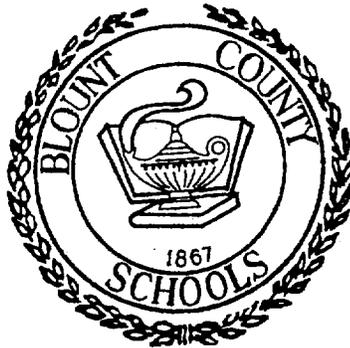
School	Project	Year 1 2005-2006	Year 2 2006-2007	Year 3 2007-2008	Year 4 2008-2009	Year 5 2009-2010	Year 6 2010-2011	Year 7 2011-2012
Carpenters High School	O/M Budget Considerations					\$3,000,000		
West Side elementary school	O/M Budget Considerations				\$1,200,000			
East Side elementary school	O/M Budget Considerations					\$1,400,000		
Middle School	O/M Budget Considerations						\$1,500,000	

\$105,360,697

Director of Schools
Mr. Alvin Hord

Assistant Director of Schools
Dr. David Cook

(865) 984-1212
FAX (865) 980-1002



**BOARD OF
EDUCATION**

Chris Cantrell
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Dr. Don McNelly
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Mike Treadway

October 11, 2005

831 GRANDVIEW DRIVE
MARYVILLE, TENNESSEE 37803

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

Dear Mr. Lamb,

During the regular scheduled meeting of the Blount County Board of Education on October 6, 2005, the Board passed the 2005-2006 School Capacity Designations.

As you are aware, the capacity designation formula is based upon three criteria: school design capacity standard, square foot per students standard, and building academic capacity standard. If a school does not exceed any of these standards, it is designated as **low**. If a school exceeds one of three standards, it is designated as **watch**. If a school exceeds two of three standards, it is designated as **high**. If a school exceeds all three standards, it is designated as **intolerable**.

The Blount County Planning Commission has requested that the Blount County Board of Education provide them with capacity designations one time per year. The optimal time of this report for the school system is the Fiscal Period Two (F2), which is the 2nd twentieth day of school, which occurred on September 30, 2005.

As per the attached report, currently the Blount County School System has six schools with the designation of **intolerable**. Those schools are Friendsville Elementary School, Lanier Elementary School, Montvale Elementary School, Heritage Middle School, William Blount Middle School, and William Blount High School.
Please notify us with any additional information needs.

Sincerely,

Brian Bell, Ed.D
Facilities Supervisor
Blount County School

Blount County Schools 2005-2006 Capacity Report
Approved by the Board of Education on October 6, 2005

All Enrollment Numbers used are from the state defined 2nd 20 day reporting period
 - September 30, 2005.

Chart 1 - Design Capacity

School	Enrollment	Design Capacity	Percent	Over 80%
Eagleton Elementary	500	660	75.7%	No
Fairview	451	487	92.6%	Yes
Friendsville	488	540	90.3%	Yes
Lanier	694	600	115.6%	Yes
Mary Blount	649	835	77.7%	No
Middlesettlements	386	460	83.9%	Yes
Montvale	568	580	97.9%	Yes
Porter	689	740	93.1%	Yes
Rockford	367	540	67.9%	No
Townsend	144	220	65.4%	No
Walland	336	346	97.1%	Yes
Carpenters Middle	735	910	80.7%	Yes
Eagleton Middle	399	924	43.1%	No
Heritage Middle	786	910	86.3%	Yes
William Blount Middle	747	910	82%	Yes
Heritage High School	1611	1420	113.4%	Yes
William Blount High	1766	1320	133.7%	Yes

Chart 2 – Square Ft. Capacity

Elementary students.....150 square feet
 Middle School students.....170 square feet
 High School students.....180 square feet
 Special Ed. students.....180 square feet

School	Enrollment	Total Square Feet	Sq.ft per student	Overcrowded
Eagleton Elementary	500	97,500	195	No
Fairview	451	78,000	172.9	No
Friendsville	488	67,000	137.2	Yes
Lanier	694	86,939	125.2	Yes
Mary Blount	649	108,000	166.4	No
Middlesettlements	386	66,348	171.8	No
Montvale	568	77,040	135.6	Yes
Porter	689	139,229	202	No
Rockford	367	60,898	165.9	No
Townsend	144	39,254	272.5	No
Walland	336	71,940	214.1	No
Carpenters Middle	735	114,340	155.5	Yes
Eagleton Middle	399	107,500	269.4	No
Heritage Middle	786	114,340	148.8	Yes
William Blount Middle	747	107,288	143.6	Yes
Heritage High School	1611	250,000	155.1	Yes
William Blount High	1766	241,278	136.6	Yes

Chart 3 – Academic Capacity

School	Enrollment	Academic Capacity	+/- of Academic Capacity	Overcrowded
Eagleton Elementary	500	650	-150	No
Fairview	451	495	-44	No
Friendsville	488	440	+48	Yes
Lanier	694	570	+124	Yes
Mary Blount	649	820	-171	No
Middlesettlements	386	425	-39	No
Montvale	568	460	+108	Yes
Porter	689	652	+37	Yes
Rockford	367	420	-53	No
Townsend	144	175	-31	No
Walland	336	370	-34	No
Carpenters Middle	735	770	-35	No
Eagleton Middle	399	790	-391	No
Heritage Middle	786	770	+16	Yes
William Blount Middle	747	720	+27	Yes
Heritage High School	1611	1620	-9	No
William Blount High	1766	1330	+436	Yes

Chart 4 - Blount County Schools Capacity Classification

School	80% Standard	Square Footage Standard	Academic Capacity Standard	Classification
Eagleton Elementary	No	No	No	Low
Fairview	Yes	No	No	Watch
Friendsville	Yes	Yes	Yes	INTOLERABLE
Lanier	Yes	Yes	Yes	INTOLERABLE
Mary Blount	No	No	No	Low
Middlesettlements	Yes	No	No	Watch
Montvale	Yes	Yes	Yes	INTOLERABLE
Porter	Yes	No	Yes	High
Rockford	No	No	No	Low
Townsend	No	No	No	Low
Walland	Yes	No	No	Watch
Carpenters Middle	Yes	Yes	No	High
Eagleton Middle	No	No	No	Low
Heritage Middle	Yes	Yes	Yes	INTOLERABLE
William Blount Middle	Yes	Yes	Yes	INTOLERABLE
Heritage High School	Yes	Yes	No	High
William Blount High	Yes	Yes	Yes	INTOLERABLE

10/12/2004

Memorandum:

To: The Blount County Planning Commission and The Maryville Planning Commission
From: The Blount County Board of Education
Subject: School Capacity

The Blount County and Maryville Planning Commissions have requested amplification of the Blount County Board of Education's position on school capacity and overcrowding in the Blount County Schools. The underlying statement for planning, as stated in TCA 13-3-302, is that "such plan shall be made with the general purpose of guiding and accomplishing a coordinated, adjusted, efficient and economic development of the region which will among other things include such distribution of population as will tend to create conditions favorable to transportation, health, safety, civic activities and educational and cultural opportunities, reduce the waste of financial and human resources which result from congestion or excessive scattering of population."

In keeping with this statement, the board has specified the problems created by overcrowding various schools. The board fully recognizes its role in the public infrastructure of the county and its duty to prevent excessive spending of public funds. In accordance with TCA 13-3-104, the board recognizes its duty to mutual cooperation.

The board in the past submitted to the Commission two different documents to illustrate the county's school needs. One document, called School Building Profile 2002-2003, compared current enrollment with the school capacity as determined by the designing architect. The second contrasted the academic capacity with the school membership. This document reflected the classroom limits established by the Educational Improvement Acts of 1992.

A review of the literature shows various approaches that are used to determine overcrowding. In a study done by the Chicago Public Schools (http://www.ncbg.org/schools/design_capacity.htm) conducted in 2001-2002, an elementary school and middle school was determined to be overcrowded if the enrollment was more than 80% of the design capacity. The study defines overcrowding in a high school when their capacity exceeds 100%. This approach assumed that some percent of a school was dedicated to hallways, toilets, offices, etc. Using this method, Blount County's school profile using the second 20 days enrollment (10/12/04) of the 2004-2005 school year appears as follows:

School	Enrollment	Design Capacity	Percent	Over 80%
Eagleton Elementary	509	660	77.1%	No
Fairview	442	487	89.9%	Yes
Friendsville	490	540	90.7%	Yes
Lanier	663	600	110.5%	Yes
Mary Blount	630	835	75.4%	No
Middlesettlements	368	460	80%	No
Montvale	576	580	89%	Yes
Porter	659	740	89%	Yes
Rockford	398	540	73.7%	No
Townsend	149	220	67.7%	No
Walland	338	346	97.6%	Yes
Carpenters Middle	745	910	81.8%	Yes
Eagleton Middle	427	924	46.2%	No
Heritage Middle	789	910	86.7%	Yes
William Blount Middle	768	910	84.3%	Yes
Heritage High School	1572	1420	110.7%	Yes
William Blount High	1733	1320	131.2%	Yes

Another method to assess overcrowding that was used by the District of Columbia Public Schools (<http://www.21csf.org/csf-home/publications/pubs.asp#myth>) involved looking at the number of students divided by the Total Building Square Footage. This method adopts the following table of square foot requirements and assumes that 32% of each total building is used for toilets, hallways, storage, offices, etc.

Elementary students.....150 square feet
Middle School students.....170 square feet
High School students.....180 square feet
Special Ed. Students.....180 square feet

Using the standards from the above chart, the Blount County Schools square foot capacity is as follows:

School	Enrollment	Total Square Feet	Sq.ft per student	Overcrowded
Eagleton Elementary	509	97,500	191.5	No
Fairview	442	78,000	176.4	No
Friendsville	490	67,000	136.7	Yes

Lanier	663	86,939	131.1	Yes
Mary Blount	630	108,000	171.4	No
Middlesettlements	368	66,348	180.2	No
Montvale	576	77,040	133.7	Yes
Porter	659	139,229	211.2	No
Rockford	398	60,898	153	No
Townsend	149	39,254	263.4	No
Walland	338	71,940	212.8	No
Carpenters Middle	745	114,340	154.3	Yes
Eagleton Middle	427	107,500	251.7	No
Heritage Middle	789	114,340	144.9	Yes
William Blount Middle	768	107,288	138.4	Yes
Heritage High School	1572	250,000	157.2	Yes
William Blount High	1733	241,278	139.6	Yes

The method of calculating capacity that most fits the Tennessee model is the method used to figure Academic Capacity. This method is aligned with the class size requirements imposed by the Education Improvement Act of 1992. This Act effectively set aside many building standards and deferred such decisions to local digression. The ironclad standard that remained in place was the maximum class size requirement. Calculating Academic capacity was completed using the following guidelines:

Class-Size Limits in the Education Improvement Act

Grade Level	Average Class Size	Maximum Class Size
K-3	20	25
4-6	25	30
7-12	30	35
Vocational Education	20	25

General guidelines in the Academic Capacity formula

Elementary Schools (K-5)

- Capacity Generating Spaces include:
 - K-3 classrooms x 20 each
 - 4-5 classrooms x 25 each
 - Self-contained exceptional children classrooms x 10 each
- Non-Capacity Spaces include:
 - Pre-K classrooms
 - Art and Music classrooms
 - Resource (Pull-out Programs) classrooms

- PE/Gym spaces
- Science/Computer labs
- No portable classrooms were included in the formula
- No converted classroom areas (PE locker rooms, teacher work rooms, storage areas, buildings outside the main facility) were included in the formula
- The formula included adding spaces in the main facility for schools that presently use converted classroom areas or portables for art and music rooms.

Middle Schools (6-8)

- **Capacity Generating Spaces include:**
 - 6 grade academic classrooms (Language Arts, Social Studies, Math, Science) x 25 each
 - 7-8 grade academic classrooms (Language Arts, Social Studies, Math, Science) x 30 each
 - 7-8 Vocational classrooms x 20 each
 - Self-contained exceptional children classrooms x 10 each
- **Non-Capacity Spaces include:**
 - Art/Band/Music classrooms
 - Resource (Pull-out Programs) classrooms
 - PE/Gym spaces
 - Computer/Science labs
 - In-School Suspension classrooms
- No portable classrooms were included in the formula

High School (9-12)

- **Capacity Generating Spaces include:**
 - All academic classrooms x 30 each
 - Fine Arts classrooms (Band, Chorus, Drama, Art) x 30 each
 - Non Vocational Business/Office Education classrooms x 30 each
 - Main Gymnasium x 30 each
 - Auxiliary Gymnasium x 30 each
 - Vocational classrooms x 20 each
 - Self-contained exceptional children classrooms x 10 each
- **Non-Capacity Spaces include:**
 - Resource (Pull-out Programs) classrooms
 - In-School Suspension classrooms
 - Weight rooms/Wrestling Rooms
 - Labs associated with a Academic classroom
 - Shops or Labs associated with a Vocational Classroom
- No portable classrooms were included in the formula

Blount County Schools Academic Capacity Chart

School	Enrollment	Academic Capacity	+/- of Academic Capacity	Overcrowded
Eagleton Elementary	509	650	-141	No
Fairview	442	495	-53	No
Friendsville	490	440	+50	Yes
Lanier	663	570	+93	Yes
Mary Blount	630	820	-190	No
Middlesettlements	368	425	-57	No
Montvale	576	460	+116	Yes
Porter	659	652	+7	Yes
Rockford	398	420	-22	No
Townsend	149	175	-26	No
Walland	338	370	-32	No
Carpenters Middle	745	770	-25	No
Eagleton Middle	427	790	-363	No
Heritage Middle*	789	770	+19	Yes
William Blount Middle	768	720	+48	Yes
Heritage High School	1572	1620	-48	No
William Blount High	1733	1330	+403	Yes

Using all the above measures, the same schools are identified as overcrowded. Schools that made a one-time appearance might represent a potential for future problems. More extensive work might further identify trends and indicate a need for more careful planning by the school board and the Planning Commission.

What are the effects of overcrowding?

The effects of overcrowding are many. For schools, the foremost concern is the lowering of the level of services the school has to offer. Having more students infringes upon the amount of time and attention a teacher and a school could give to an individual student.

This effect was pointed out very dramatically in a study done in Tennessee that contrasted the student/teacher achievement ratio. This study called STARS was reported in 1996 and 1997. This report that was prepared by the "Health and Education Research Operative Services" (HEROS) and jointly funded by the "National Education Association" (NEA) and "The American Federation of Teachers" (AFT), was conducted to assess and improve the implementation of services to children and families.

The report compared the academic achievement of over 7,000 Tennessee students at 79 school locations, of small classes (13-17 students) to students in regular size classes (22-25). This research was conducted using all grade levels, student ethnicity, gender, and socioeconomic status (SES). The results consistently and significantly favored small

classes, but the greatest advantages were found for minority students and the students with SES backgrounds. This research leaves no doubt that small classes have an advantage over larger classes in the following:

1. A larger percent of students in small classes (52.9%) passed the Tennessee Competency Examination at grade 8, compared to students in larger classes (49.1%).
2. A larger percent of students in small classes (65.1%) passed the Tennessee Competency Examination at grade 9, compared to students of larger classes (64.3%).
3. Students of small classes (7.5%) were retained less in various grade levels, compared to students in larger classes (11.6%).
4. Students in small classes outscored students in large classes in all subjects.
5. Most accredited colleges and universities require entering freshman to have taken one or more foreign language courses in high school to be considered for enrollment. This study shows that a greater percentage of students in small classes (65.6%) take those courses compared to the students of larger classes (40.0%).
6. Students of smaller classes also take a larger percentage of advanced academic classes (3.2%) compared to students of larger classes (1.9%).
7. Fewer students of small classes drop out of school (1.8%), compared to students of larger classes (8.5%).
8. Students of smaller classes were suspended less times than students from larger classes.

This study was conducted in Tennessee and shows vividly the effects of adding students to the school setting. What is represented in each case is the lowering of the level of services that a teacher can offer to an individual student.

Safety Concerns

On all measures used to express the ratio of membership contrasted with design capacity, William Blount High School has been shown to be significantly over capacity. A look at William Blount's schedule reveals, for example, that during the second-class period, there are 397 students and 16 teachers assigned to the second floor. In a case of fire or other emergency, 413 people must exit the building by way of four stairways. They then must merge with students from the first floor to proceed to the outside. This represents a high concern. Similar concerns exist at other sites.

Conclusions

After considering all the information, the members of the Blount County Board of Education have concluded that the Blount County School System is in crisis regarding school capacity and potential growth. This is and should be a matter of concern for the county and city planning commissions as well as the county school board. This study coordinated with the rate that subdivisions have been approved over the period of time since zoning was approved points out some present and some serious present, and future school infrastructure problems.

The Maryville Planning Commission is to be applauded for its recent action in taking an ordinance to City Council that declared its intention not to approve new subdivisions within the city's urban growth boundary or corporate limits if it is determined that the public infrastructure is inadequate, deficient or lacking. Their action further spoke to cooperation with county jurisdiction. It behooves the county planning bodies to follow the same course.

Looking at the county school picture from all angles presented in this paper, it is evident that some situations are already at crisis level, and that others are approaching that point. With that in mind the school situation can be seen as:

- A. Low Risk for overcrowding (Low)
- B. Situation that need constant monitoring (Watch List)
- C. Endanger of overcrowding (High Risk)
- D. Situation that require immediate remediation (Intolerable)

Based upon the studies presented in this paper, schools that do not qualify as overcrowded on any of the three standards are classified as Low, schools that qualify as overcrowded on one of the three standards are classified as Watch List. School that qualify as overcrowded on two of the three standards are classified as High Risk, and schools that qualify as overcrowded based on all three standards are classified as Intolerable.

School	80% Standard	Square Footage Standard	Academic Capacity Standard	Classification
Eagleton Elementary	No	No	No	Low
Fairview	Yes	No	No	Watch
Friendsville	Yes	Yes	Yes	INTOLERABLE
Lanier	Yes	Yes	Yes	INTOLERABLE
Mary Blount	No	No	No	Low
Middlesettlements	No	No	No	Low
Montvale	Yes	Yes	Yes	INTOLERABLE
Porter	Yes	No	Yes	High
Rockford	No	No	No	Low
Townsend	No	No	No	Low
Walland	Yes	No	No	Watch
Carpenters Middle	Yes	Yes	No	High
Eagleton Middle	No	No	No	Low
Heritage Middle*	Yes	Yes	Yes	INTOLERABLE
William Blount Middle	Yes	Yes	Yes	INTOLERABLE
Heritage High School	Yes	Yes	No	High
William Blount High	Yes	Yes	Yes	INTOLERABLE

Recommendations

Measures open to the Planning Commission to deal with this lack of infrastructure are limited. In areas feeding schools "Intolerable," subdivisions should be discontinued. Further subdividing would likely result in an extravagant use of public funds. This statement prompts the following list of possible actions by the Planning Commission:

1. The commission must recognize and publicize the fact that it is not in the best interest of the citizens of Blount County to approve every request for subdivision of property.
2. The commission must educate the public that there are other benefits of owning land in addition subdividing. Such as those listed in TCA 7-5-1002, TCA 67-5-1003, TCA 67-5-1005, and TCA 67-5-1006,
3. The planning commission should take the lead in informing the public concerning some sort of fair share impact fees that are designed to insure adequate capital facilities.
4. The planning commission should publish a copy or map of its regional plan to better inform the public of available and non-available areas for development.
5. Areas that have schools rated with "Watch Lists" must be dealt with carefully. Subdividing and growth management must be handled through differentiating lot size. Lot size must again be restricted to two to five acre plots.
6. Areas with low potential for overcrowding might have more access to subdividing. It should be noted, however, that most schools with a 'low' rating are already in highly developed areas.
7. School areas with an "intolerable" rating must not be subject to further subdividing at this time.

RESOLUTION No. _____

Sponsored by: _____ and _____

A RESOLUTION TO ALLOW THE PURCHASE OF PROPERTY FOR ESTABLISHING THE BLOUNT COUNTY FAIRGROUNDS.

WHEREAS, Blount County has determined the need for a fairgrounds within the county; and

WHEREAS, property has been located that would provide a suitable venue for a county fairgrounds; and

WHEREAS, the purchase price of the above mentioned property is \$785,000 and it is deemed to be in the best interest of Blount County to allow the funds appropriated and purchase made.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the Capital Projects Fund Budget shall be amended to allow for the purchase of property to be known as the Blount County Fairgrounds.

BE IT FURTHER RESOLVED that the purchase of this property is conditioned upon the satisfactory completion of an environmental Phase I review to be paid by the seller.

BE IT FURTHER RESOLVED that there is hereby approved an internal 3-year note in the amount of \$785,000 from the General Debt Service Fund generated by savings in interest rates to be used to purchase this property.

REVENUE:

189-000000-495000-05062 Loan Proceeds.....**\$785,000.00**

APPROPRIATION:

189-091150-500715-05062 Land**\$785,000.00**

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

*** COMMERCIAL ***

STATE OF TENNESSEE REAL ESTATE APPRAISAL CARD

BRICK MILL RD 809		SUBDIV. 1		BK PG BLOCK LOT		TAX YEAR 2005		01 111		111 101.00 000	
PROPERTY ADDRESS		SUBDIV. 2		BK PG BLOCK LOT		COUNTY OF BLOUNT		DIST MAP		GROUP CONTROL MAP PARCEL PI S/I	
OWNER'S NAME AND MAILING ADDRESS		SUBDIV. 2		BK PG BLOCK LOT		COUNTY OF BLOUNT		DATE UPDATED 06/17/04		DATE PRINTED 12/15/05	
GARNERS AMUSEMENT INC		SUBDIV. 2		SMOKY MOUNTAIN RACEWAY		COUNTY OF BLOUNT		CARDS IN PARCEL 1 OF 1		APPRaised VALUE RECAP	
317 W LAMBERT LN		TN 37803		SMOKY MOUNTAIN RACEWAY		COUNTY OF BLOUNT		TOTAL LAND UNITS 46.00		IMPROVEMENTS 22,300	
MARYVILLE		TN 37803		SMOKY MOUNTAIN RACEWAY		COUNTY OF BLOUNT		DEED ACRES 0.00		LAND 138,000	
MARYVILLE		TN 37803		SMOKY MOUNTAIN RACEWAY		COUNTY OF BLOUNT		CALC ACRES 46.0		TOTAL APPRAISAL 160,300	



TOTAL UNITS		SHAPE FACTORS		ADJ'D UNITS		BASE RATE		ADJ'D BASE RATE		IMPR. TYPE		ACTUAL YEAR BUILT		EFFECTIVE YEAR BUILT	
AREA DESCR		% OF RATE		ADJ'D SQUARE FOOT RATE		AREA RATE		SQUARE FEET		REPLACEMENT COST NEW					

TOTAL AREAS ->		AUX =		BASE =											
AGE		NORM PHYS		OTHER PHYS		FUNC		ECON		% COND		REPL COST NEW		DEPR REPL COST	

EX FEAT/SPEC. BLDG. DESCRIPTION		QUAL		SIZE		UNIT PRICE		UNITS		EFF YR BUILT		ANNUAL DEPR RATE		PERCENT CONDITION		DEPRECIATED VALUE	
---------------------------------	--	------	--	------	--	------------	--	-------	--	--------------	--	------------------	--	-------------------	--	-------------------	--

1. OPU		S				100.00		1				0.00				100	
2. XBLEACHERS		S				20,000.00		1				0.00				20,000	
3. UTL BLD		A		12X24		4.96		288		1965		2.00		28.00		400	
4. UTL BLD		A		20X26		4.02		520		1965		2.00		28.00		585	
5. UTL BLD		A		13X21		4.96		273		1965		2.00		28.00		379	
6. UTL BLD		A		14X50		4.02		700		1965		2.00		28.00		788	

NO. OF STORIES CAAS LOCAL ASSESSOR SYSTEM

GENERAL PARCEL DATA

LAND APPRAISAL BY		S.S.D.		WARD		E.D.D.		PLAN		OTHER		NO. OF DWELL UNITS		AREA CODE	
10/22/99		15								33		101		101	
PARC. STAT		DIST		TOPO		TYPE OWNER		ROAD NO.		ROAD TYPE		CONST. CODE		SUBDIV. TRACT	
2		0		1		0		3		3		N-S		E-W	
CENSUS TRACT		BLOCK		FACE		AREA		COND. DIST		OPTIONAL		INTEREST CODE			

GENERAL CARD DATA

BLDG APPRAISAL		BY		SOURCE		NO. DWELL UNITS		UTILITIES		ZONING		OCC		COND	
						3		3 1 0							
PERMIT NO.		F.H.A. NUMBER		RENTAL SOURCE		RENTAL AMOUNT		RENTAL SCHEDULE							

EX. FEAT/SPEC. BLDG. APPR. DATE		08/25/03		APPR. BY		31		TOTAL CALCULATED EX. FEAT/SPEC. BLDG. VALUE		22,252	
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LAND DESCRIPTION		DESC CODE		SIZE-DIMENSION		SOIL CLASS		UM		FLD		LOC		SIZE		DEPTH FACTOR		COND FACTOR		UNIT LAND PRICE		ADJ'D. UNIT LAND PRICE		LAND UNITS		MARKET LAND VALUE		USE COND. FACTOR		LAND USE UNIT PRICE		USE LAND VALUE	
1. COMM RURAL		11								100		100		100		100		100		3,000.00		3,000.00		46.00		138,000							

LAND USE CODES		1 74		2		3		4		LAND TOTAL		THIS CARD		46.00		138,000		THIS CARD	
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DATE		PRICE		BOOK		PAGE		V/I		INS		Q		DEED TRANSFER		BOOK		PAGE		NOTES	
1. 02 05 03		321,840		677		816		1		WG		D		02 06 03		677		816		SMOKY MOUNTAIN RACEWAY/KAREN KAY OGLE INTEREST TO WILLIAM D	
2. 10 28 99		350,000		633		444		1		WM		D		10 28 99		633		444		OGLE-2/9/87-V483 P26/QUIT CLAIM-V493 P677/RE-RUN DEED 11-14-	
3. 02 22 99		375,000		623		3		1		WH		D		02 22 99		623		3		89 V512 P255/ADD MH1 TTO JOHN LOOPE FOR 94*DELETE MH1 FOR 04	
4. 12 05 96		350,000		593		637		1		WH		D		12 05 96		593		637		(PW)	

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT WITH RESPECT TO A CIVIC ARTS CENTER; APPROVING THE ISSUANCE OF BONDS BY THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE TO FINANCE SUCH CIVIC ARTS CENTER; CONSENTING TO THE ASSIGNMENT OF THE COUNTY'S OBLIGATIONS UNDER THE LEASE AGREEMENT; AGREEING PURSUANT TO THE LEASE TO LEVY AND COLLECT A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE RENTAL PAYABLE UNDER SUCH LEASE AS AND WHEN IT BECOMES DUE AND PAYABLE; APPROVING THE EXECUTION OF INTEREST RATE SWAP DOCUMENTS IN CONNECTION WITH THE BONDS AND/OR LEASE; AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AND OPERATING AGREEMENT RELATING TO THE CONSTRUCTION AND OPERATION OF THE CIVIC ARTS CENTER

WHEREAS, the Board of County Commissioners of Blount County (the "County"), along with the governing bodies of the City of Alcoa, Tennessee ("Alcoa") and the City of Maryville ("Maryville") (collectively, the "Lessees"), has determined that the construction of a civic arts center will provide educational opportunities for the citizens of the Lessees, promote and encourage the undertaking and performance of the arts in the community and promote economic development and regional tourism; and

WHEREAS, the Lessees have requested The Industrial Development Board of Blount County, Tennessee (the "Board") to cause the acquisition, construction, equipping and financing of a civic arts center and to lease such facility to the Lessees pursuant to the terms of Sections 7-53-101 et seq., Tennessee Code Annotated, as amended (the "Act") and a Lease Agreement (the "Lease");

WHEREAS, Maryville College (the "College") has agreed to make available a site for the development of the civic arts center on property owned by the College and is willing to lease such site to the Board; and

WHEREAS, the Lessees intend to retain the College to manage the operation of the civic arts center facility for the Lessees pursuant to an Agreement with Respect to the Development and Operation of Civic Arts Center among the Lessees and the College (the "Development Agreement"); and

WHEREAS, to provide funds to accomplish such purposes, the Board will issue and sell not to exceed \$45,000,000 in aggregate principal amount of its Public Facility Lease Revenue Bonds (the "Bonds") to be dated the date of their issuance, under and pursuant to the Act, to be secured by and to contain such terms and provisions as are to be set forth in a Trust Indenture (the "Indenture"), between the Board and a corporate trustee to be selected by the Board (the "Trustee"), and the proceeds from the sale of such Bonds shall be deposited with the Trustee and disbursed in the manner and for the purposes set forth in the Indenture; and

WHEREAS, the rental payments made by the Lessees to the Trustee for the account of the Board shall be in the aggregate an amount equal to the principal of, premium, if any, and interest on the Bonds due plus any additional rent payable under the Lease, provided that the Lessees shall receive a credit against such rental payments for any amounts contributed by the College for such purpose pursuant to the Development Agreement; and

WHEREAS, upon compliance with all applicable requirements of Tennessee law and in order to reduce the Board's and the Lessees' exposure to changes in interest rates, the Lessees or the Board upon approval of the Lessees may enter into one or more interest rate swap agreements (the "Swap

Agreements") with respect to the payments to be made by the Lessees under the Lease or with respect to Bonds; and

WHEREAS, there has been presented to this meeting the form of the Lease, which appears to be in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended and the forms of the following documents: (1) the Development Agreement; (2) International Swap Dealers Association, Inc. ("ISDA") Master Agreement; (3) Schedule to Master Agreement; (4) Confirmation for a rate swap transaction; (5) ISDA Credit Support Annex; (6) Financial Guaranty Insurance Policy for Swap Agreement; and (7) Financial Guaranty Insurance Policy for Swap Agreement (Counterparty Payment Policy); (collectively, the "Documents"); and

WHEREAS, for the purposes of authorizing the Lease from the Board, the execution and delivery of the Lease by the County, the levy of a tax sufficient to pay the rental payments under the Lease (subject to any credits described above), approving the assignment of such rental payments to secure the Bonds, authorizing the execution of such documents and certificates as shall be necessary to consummate the sale and delivery of the Bonds, and approving the terms and conditions of one or more Swap Agreements subject to compliance with applicable law, 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 Issuance of Bonds.

(a) For the purpose of providing funds to design, construct and equip a civic arts center, as provided herein and in the Lease, and to pay legal, fiscal, and administrative costs incident thereto, including costs incident to the issuance and sale of the Bonds, the issuance and sale of the Bonds by the Board is hereby approved.

(b) The Bonds may be issued, at the direction of the Board but with the approval of the Mayors of each of the Lessees, initially either as (i) bonds bearing interest as an auction rate security ("ARS"); (ii) variable rate bonds with the interest rate established either daily, weekly or short-term period (the "Daily Rate", "Weekly Rate" and "Short-Term Period", respectively, as defined in the Lease) at the then market rate for obligations with similar credit quality, or (iii) fixed-rate bonds with interest rates established at the time of the sale of the Bonds.

Section 2. Approval of Lease. The Mayor of the County is hereby authorized to enter into the Lease and obligate the County to pay not in excess of 47.5% of the rental payments due thereunder ("Rental Payments"), which Rental Payments shall be in an amount equal to a percentage of the principal of and premium, if any, and interest on the Bonds approved hereunder plus any additional rent payable thereunder. The portion of Rental Payments allocable to principal shall be payable over a period not to exceed thirty (30) years from the date of execution of the Lease. The payment dates for the Rental Payments, the original interest rate mode with respect to the Bonds and the amortization of the principal amount of the Bonds shall be subject to the approval of the Mayor, as determined to be in the best interest of the County, in accordance with the terms of this Resolution and the Lease.

Section 3. Interest Rate Conversion. At any time while the Lease remains in effect, the Bonds issued in connection therewith, may, in whole or in part, to the extent permitted by applicable law, be converted from one Rate Period (as defined in the Lease) to the other interest Rate Periods permitted and as provided in the Indenture (which conversion may include such put features relative to any of the Bonds

as the Indenture may permit) at the direction of the County Mayor and no further action shall be required by the Board of County Commissioners.

Section 4. Approval of the Documents. The form, terms and provisions of the Documents which have been presented at this meeting are hereby approved, and the County Mayor and County Clerk are hereby authorized, empowered and directed to execute and deliver the Documents in the name and on behalf of the County. The Documents are 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 and the County Clerk, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein. From and after the execution and delivery of the Documents, 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 Documents as executed.

Section 5. Levy of Taxes. Pursuant to Tennessee Code Annotated Section 7-53-311, the County is authorized to enter into the Lease for such term or terms and upon such conditions as may be determined by the Board of County Commissioners, notwithstanding and without regard to the restrictions, prohibitions or requirements of any other law, whether public or private, and to levy and collect a direct annual tax sufficient with any other moneys available (including any amounts contributed by the College pursuant to the Development Agreement) and pledged therefor to pay the Rental Payments due under the Lease as and when it becomes due and payable, such tax to be in addition to all other taxes of such city, county or metropolitan government and shall be in addition to all other taxes now or hereafter authorized to be levied, and such tax shall not be included within any statutory or other limitation in rate or amount, but shall be excluded therefrom and be in addition thereto, notwithstanding the prohibitions, restrictions or requirements of any other law, whether public or private, and the obligations assumed and undertaken pursuant to the Lease, including any unconditional or other obligation to levy such tax and to pay rentals for the project for a fixed term or terms, shall not be deemed or construed as constituting a debt of the city, county or metropolitan government within the terms, provisions or limitations of any constitutional, statutory, charter or other limitation. The County hereby covenants and agrees, through its governing body, to annually levy and collect such a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay when due the Rental Payments payable by the County under the Lease as and when they become due and payable.

Section 6. Approval of Swap Agreements in Connection with the Bonds and the Lease Authorized Hereunder. Subject to compliance with the applicable provisions of the laws of the State of Tennessee, the County hereby authorizes and approves the entering into and the execution and delivery by the Board and/or the County of one or more Swap Agreements in connection with all or any portion of the Bonds approved herein or any Rental Payments under the Lease, in substantially the form of the International Swap Dealers Association, Inc. Swap Agreement, the form of which is presented to this meeting, with one or more financial institutions whose debt or claims-paying ability is rated, or is, collateralized, guaranteed or insured by an entity whose debt or claims-paying ability is rated "AA" or better by Standard & Poor's or Moody's Investors Service in a notional amount which in the aggregate does not exceed the principal amount of the Bonds approved herein declining in accordance with the amortization schedule for such Bonds, having a term not longer than the final maturity of the Bonds, providing for either a fixed rate or a variable rate payable by the Board or the County, and either a variable rate or fixed rate payments by the Swap Counterparty based on (i) BMA Municipal Swap Index, (ii) the rate on the Bonds to which the Swap Agreement relates; (iii) the rate on the Bonds to which the Swap Agreement relates, plus Additional Payments (as defined in the Indenture), (iv) LIBOR or a percentage thereof or (v) such other index or method to be approved by the Chairman or Vice-Chairman of the Board and the County Mayor and the County Clerk of the County.

Payments to be made under the Swap Agreement shall be a payment required to be made pursuant to the Lease. Morgan Keegan & Company, Inc. ("Morgan Keegan") is hereby authorized to negotiate the terms and conditions of the Swap Agreement in conformance with the provisions of this resolution, subject to confirmation by the County Mayor and County Clerk.

Subject to compliance with the applicable provisions of the laws of the State of Tennessee, the County Mayor and the County Clerk on behalf of the Board of County Commissioners will be 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 Swap Agreement as it relates to any of the Bonds issued in connection with the Lease authorized herein. The execution of the related Lease and delivery of a certificate, which may be the confirmation of the Swap Agreement, approving the terms and conditions of the Swap Agreement by the County Mayor and the County Clerk shall constitute conclusive evidence of their approval of the final terms and conditions of the Swap Agreement and, to the extent permitted by applicable law, no further action shall be required by the Board of County Commissioners.

Section 7. Official Statement. The County Mayor and the County Clerk, or either of them, working with Morgan Keegan & Company, as the underwriter for the Bonds (the "Underwriter") and the Board, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After the Bonds have been sold, the County Mayor and the County Clerk, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Mayor and the County Clerk, or either of them, shall arrange for the delivery to the Underwriter of a reasonable number of copies of the Official Statement within seven business days after sale of the Bonds for delivery, by the Underwriter, to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriter initially sells the Bonds.

The County Mayor and the County Clerk, or either of them, are authorized, on behalf of the County, as to the information relating to the County and the Bonds related to the Lease, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 8. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for any Bonds issued for the Lease. The County Mayor is authorized to execute an agreement for the benefit of and enforceable by the owners of such Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9. Consent to Assignment. The County hereby consents to the assignment pursuant to the Indenture of the County's obligation under the Lease to pay Rental Payments as security for the Bonds.

Section 10. Additional Authorizations. All acts and doings of the County Mayor and County Clerk 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 issuance and sale of the Bonds and the execution and delivery of the Lease, the Development Agreement and each Swap Agreement as set forth herein shall be and same hereby are in all respects, approved and confirmed.

Section 11. Additional Authorizations. All acts and doings of the County Mayor and County Clerk 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 execution and delivery of the Lease and the Development Agreement and each document as set forth herein shall be and same hereby are in all respects, approved and confirmed.

Section 12. 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 13. 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 _____ day of November, 2005.

/s/ _____

County Mayor

ATTEST:

/s/ _____

County Clerk

CERTIFICATE OF COUNTY CLERK

I, _____, certify that I am the duly qualified and acting County Clerk of Blount County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on November __, 2005; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the lease, development and operation of a civic arts center.

WITNESS my official signature and seal of said County on this the ____ of November, 2005.

County Clerk

(SEAL)

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Lease") made and entered into on this the _____ day of _____, 2005, by and between MARYVILLE COLLEGE, a Tennessee nonprofit corporation ("Lessor"); and THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE, a Tennessee nonprofit corporation and instrumentality of Blount County, Tennessee ("Lessee");

WITNESSETH:

I.

LEASED PROPERTY

That for and in consideration of the rents reserved and the covenants herein contained, Lessor does hereby lease unto Lessee the following real property, together with all buildings, structures and other improvements now or hereinafter located thereon and all easements and appurtenance related thereto (collectively, the "Leased Premised") located in the City of Maryville, _____ Civil District of Blount County, Tennessee: Parcels _____ as shown on Map No. ___ as recorded in the Register's Office of Blount County, Tennessee and described more fully on Exhibit A attached hereto.

II.

TERM OF LEASE

The term of this Lease shall be for a period of twenty-five (25) years, beginning _____, and ending at midnight on _____. It is understood and agreed that upon the expiration of the initial term of this Lease, Lessee shall have the right and option to renew this Lease for one (1) additional period of twenty-five (25) years under the same terms and conditions of the initial term, the said renewal period to begin on the expiration of the initial term. This Lease shall renew automatically for such renewal term unless the Lessee shall notify the Lessor not less than six (6) months prior to such expiration of this Lease of its intention not to renew this Lease. Such renewal shall be on the same terms as are in effect during the initial term of this Lease.

III.

RENT

Lessee agrees to pay or cause to be paid to the Lessors, as rent for the aforesaid premises, during the initial term of twenty-five (25) years, the sum of One Dollar (\$1.00) per year, due and payable on the 1st day of each year commencing January 1, 2007.

In the event Lessee shall renew this Lease for the additional twenty-five (25) year renewal period, as provided for in Section II above, then the rent during such renewal period shall be due and payable at the same time and in the same amount for each calendar year as herein provided for the initial twenty-five (25) year term of this Lease.

IV.

SURRENDER OF PREMISES

At the termination of this Lease, or any extension or renewal thereof, whether by limitation or forfeiture, Lessee covenants to quit, surrender and deliver up to Lessor the Leased Premises, including all buildings and improvements forming a part thereof, all of which shall be and remain the property of Lessor, wholly free and discharged of and from all rights, claims and demands of Lessee.

V.

DEFAULT

A. In the event of a default on the part of Lessee in the payment of rents (whether demand shall have been made therefore or not, such demand being waived), or in the payment of any other amounts hereunder, and if Lessor shall execute and deliver to Lessee a written notice specifying such default, setting out the amount of unpaid rent or other sums agreed to be paid by Lessee and claimed by Lessor to be due, as the case may be, and the default thus specified by such notice shall continue for a period of ninety (90) days from and after the date that such notice is delivered to Lessee, then, in such event, Lessor, its agent or attorney, shall have the full right, at their election, to enter upon the Leased Premises and take immediate possession thereof, and remove all persons and Lessee's property therefrom without being guilty of any manner of trespass.

B. In the event of a default by Lessee in any respect in connection with any of the covenants or agreements of this Lease set forth to be performed or observed by Lessee other than failure to pay such rents, and other amounts hereunder, Lessor shall have the right to execute and deliver to Lessee a written notice specifying such default, and unless, within ninety (90) days from and after the date that such notice is delivered to Lessee. Lessee shall have commenced to remove or to cure such default and shall thereafter proceed with reasonable diligence completely to remove or cure such default, Lessor shall have the full right, at its election, to exercise the right of entry and termination set forth in this Lease. It is expressly understood and agreed that if the curing of any default is delayed by reason of war, civil commotion, act of God, governmental restriction, regulations or interferences, fire or other casualty or any circumstances beyond the control of Lessee or of any trustee or beneficiary, whether similar to any of those enumerated or not, Lessee and such trustees or beneficiaries, each and all, shall be excused from commencing to remove or cure or from failure completely to remove and cure any such default during such period of delay.

VI.

SUBLETTING AND ASSIGNMENT

Lessee may sublet the Leased Premises to Blount County, Tennessee, the City of Maryville, Tennessee and the City of Alcoa, Tennessee pursuant to a Lease Agreement (the "Civic Center Lease"), the form of which is attached hereto as Exhibit B. Except as described in the foregoing sentence, Lessee shall not sublet, assign or otherwise convey any interest in the Leased Premises without the prior written consent of Lessor.

VII.

WARRANTY OF QUIET POSSESSION

The Lessor warrants to Lessee the peaceful possession and enjoyment of the leased property against disturbances of any persons whomsoever having lawful claims, and further warrant that they are vested with a valid and merchantable title to the leased property, free of all liens, mortgages, unpaid taxes, or other encumbrances.

VIII.

USE OF LEASED PROPERTY

Lessee, its subtenants, assigns, personal representative and successors in interest, shall have the absolute and unrestricted right to use the Leased Premises for any lawful purpose or purposes, including without limitation the right to grade, fill or remove earth and the right to construct, remove, repair, alter, maintain, modernize or replace any building, buildings or other improvements necessary or desirable at their option so that they shall have and enjoy the said absolute and unrestricted use of the Leased Premises.

IX.

STATUS AND DESIGNATION OF PARTIES – DEFINITIONS

Wherever appropriate, words used in this Lease in the singular may include the plural or the plural may be read as the singular and the neuter may include the masculine or feminine or may be read, if and when appropriate, as having reference to persons, natural or artificial.

X.

NOTICE

For the purpose of giving any notice hereunder to Lessee, the same shall be deemed given when deposited in a United States Post Office, postpaid by Registered Mail, Return Receipt Requested, addressed to:

The Industrial Development Board of
Blount County, Tennessee

Attn: Chairman

Lessee may, by letter sent Registered Mail, Return Receipt Requested, to Lessors at any time, change the address to which notices shall be sent to Lessee.

For the purpose of giving notice hereunder to Lessor, the same shall be deemed given when deposited in a United States Post Office, postpaid by Registered Mail, Return Receipt Requested, addressed to:

Maryville College

Lessor may, by letter sent Registered Mail, Return Receipt Requested, to Lessee, change the address to which notices shall be sent to Lessor by similar notice to Lessee.

XI.

PAYMENT OF RENT

Rent shall be paid at the address of Lessor shown at which notices are to be given under Section X.

XII.

CONSTRUCTION OF PROVISIONS OF LEASE

This lease and any subleases or assignments hereunder shall be construed under the laws of the State of Tennessee. This lease shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, devisees, personal representatives, sub-lessees, successors, and assigns. The options, rights, obligations and provisions of this Lease shall be binding upon and inure to the benefit not only of the parties hereto, but also their respective heirs, devisees, personal representatives, sub-lessees, successors and assigns.

XIII.

MEMORANDUM OF LEASE

Lessor and Lessee will at any time at the request of either one, execute duplicate originals of an instrument in such form as is reasonably requested by the requesting party a short form lease or memorandum of lease setting forth the description of the Leased Premises and the terms of this Lease so that it will not be necessary to record this Lease in its entirety. At the request of either party, the parties shall also execute duplicate originals of an instrument in recordable form evidencing the term of this Lease, including any renewal terms.

XIV.

ESTOPPEL CERTIFICATES

Within thirty (30) days following the request of Lessee or any leasehold mortgagee or any sublessee or prospective purchaser of the Leased Premises, Lessor shall execute an estoppel certificate certifying as to certain matters pertaining to this Lease, including without limitation, (i) that the copy of this Lease to be attached to the certificate is a true, correct and complete copy of this Lease, (ii) that this Lease is in full force and effect as of the date of the estoppel certificate, and has not been modified or amended except as disclosed therein, (iii) that this Lease sets forth the entire agreement between Lessor and Lessee relating to the leasing of the Leased Premises, (iv) that there are no other agreements, written or oral, relating to the leasing of the Leased Premises, (v) the commencement date and termination date of this Lease, (vi) whether there exists any uncured or outstanding defaults or events of default under this Lease or events which, with the passage of time, and the giving of notice, or both, would be a default or event of default under this Lease, (vii) whether any notice of termination has been given or received by Lessor with respect to Lease, (viii) the date through which all payments due under this Lease have been

paid, (ix) the amount of rent due and payable under this Lease, and (x) whether there are any disputes between Lessor and Lessee with respect to any rental due under this Lease or with respect to any provision of this Lease.

XV.

GRANTING OF EASEMENTS

Lessee shall be entitled and is hereby authorized to enter into such easements or agreements with utility companies which are required in order to provide water, sewer, gas, cable, electric and any other utility service to the Leased Premises. Lessor hereby consents to the execution of such easements and agreements by Lessee and covenants and agrees to execute any necessary documents and agreements and to take such other action necessary in order to consummate same.

XVI.

TAKINGS

Any taking during the term of this Lease of any interest in the Leased Premises as a result of the actual exercise of the power of condemnation or eminent domain by the United States or any other body having such power or any sale or other transfer of any such interest in lieu of or in anticipation of the impending exercise of any such power, to any person legally empowered to exercise such power shall, for the purposes of this Lease, be herein referred to as a "Taking". Notwithstanding any provision herein to the contrary, Lessee shall receive the entire award for any Taking, and any such award payable to Lessee shall be applied in accordance with the Civic Center Lease or shall otherwise be payable to Lessee.

In the event all or portion of the Leased Premises is subject to a Taking and the Civic Center Lease terminates as a result thereof, this Lease shall terminate upon notice by Lessee to Lessor; provided, however, that the termination of this Lease shall not benefit the condemnor and shall be without prejudice to the right to recover just and adequate compensation from the condemning authority.

In the event less than all of the Leased Premises is subject to a Taking and the Civic Center Lease is not terminated as a result thereof, this Lease shall not terminate, provided, however, such continuing of this Lease shall be without prejudice to the right to recover just and adequate compensation from the condemning authority.

IN WITNESS WHEREOF, the parties hereto have executed this document effective as of the _____ day of _____, 200_.

LESSOR:

MARYVILLE COLLEGE

By:_____

Its:_____

ATTEST:

By:_____

Its:_____

LESSEE:

THE INDUSTRIAL DEVELOPMENT BOARD
OF BLOUNT COUNTY, TENNESSEE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

**AGREEMENT WITH RESPECT TO THE
DEVELOPMENT AND OPERATION OF
CIVIC ARTS CENTER**

THIS AGREEMENT WITH RESPECT TO THE DEVELOPMENT AND OPERATION OF THE CIVIC ARTS CENTER (the "**Agreement**") is effective as of the _____ day of _____, 2005, by and between **MARYVILLE COLLEGE**, a Tennessee nonprofit corporation (the "College"), **THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE**, a Tennessee public nonprofit corporation and instrumentality of Blount County, Tennessee (the "Board"), **BLOUNT COUNTY, TENNESSEE**, a county created under the laws of the State of Tennessee (the "County"), the **CITY OF MARYVILLE, TENNESSEE**, a Tennessee municipal corporation ("Maryville") and the **CITY OF ALCOA, TENNESSEE**, a Tennessee municipal corporation ("Alcoa" and together with Maryville, the "Cities").

Background Statement

The Board is authorized by the laws of the State of Tennessee to construct and finance public buildings and to lease such buildings to counties and cities in the State of Tennessee. The County, Maryville and Alcoa have requested to the Board to cause the acquisition, construction and financing of a civic arts center to be leased to the County and the Cities. The County and the Cities have determined that the construction of a civic arts center will provide educational opportunities for the citizens of the County and the Cities, promote and encourage the undertaking and performance of the arts in the community and promote economic development and regional tourism. The College has agreed to make available a site for the development of the civic arts center on property owned by the College and is willing to lease such site to the Board. As an anticipated user of the facility, the College will benefit from the construction and operation of the civic arts center. The College has therefore also agreed to oversee the development and operation of the civic arts center and to contribute funds to assist in paying for certain costs relating to the civic arts center. The College, the Board, the County and the Cities desire to set forth in this Agreement their respective obligations with respect to the construction, operation and financing of the civic arts center.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set forth below, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged by the parties hereto, the College, the Board, the County and the Cities do hereby covenant and agree as follows:

ARTICLE I
DEFINITIONS

Unless the context shall clearly indicate otherwise, when used in this Agreement the words and phrases set forth below shall be defined as follows:

"Advisory Board" shall mean the Civic Arts Center Advisory Board created pursuant

to Article IX of this Agreement.

"**Alcoa**" shall mean the City of Alcoa, Tennessee, a Tennessee municipal corporation.

"**Board**" shall mean The Industrial Development Board of Blount County, a public nonprofit corporation and instrumentality of the County.

"**Bonds**" shall mean the bonds to be issued by the Board pursuant to the terms of this Agreement to finance the Project.

"**Bond Documents**" shall mean all documents entered into by the Board in connection with the issuance of the Bonds.

"**Capital Improvements**" shall mean all necessary capital repairs and replacements to the Project, including any equipment therein.

"**Certificate of Occupancy**" shall mean the certificate to be issued by the appropriate Government Authority certifying that the Project is suitable for occupancy.

"**Cities**" shall mean Alcoa and Maryville.

"**College**" shall mean Maryville College, a Tennessee nonprofit corporation.

"**Completion Date**" shall mean the date the Certificate of Occupancy is issued.

"**Construction Consultants**" shall mean any and all architects, engineers, land planners, lawyers, general contractors, accountants, and all other consultants and contractors deemed, from time to time, by the College to be necessary or appropriate to assist the College in the performance of its duties pursuant to Article VI of this Agreement, including the Project Manager.

"**Contract Date**" shall mean the date first stated on the first page of this Agreement, regardless of whether said date shall be prior to or subsequent to the date when this Agreement shall have been executed or delivered by any party hereto.

"**County**" shall mean Blount County, Tennessee, a county created under the laws of the State of Tennessee.

"**Designated Representative**" shall mean, (a) with respect to the College, its President or Vice President for Finance, (b) with respect to the Board, its Chairman or Vice Chairman, (c) with respect to the County, its County Mayor or Finance Director or (d) with respect to either City, its Mayor or City Manager.

"**Development Budget**" shall mean the projected expenditures required to construct and equip the Project in accordance with the Plans.

"**Environmental Law**" means any federal, state or local statute, regulation or

ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to any Hazardous Materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes, and regulations promulgated thereunder, and amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C.; 33 U.S.C.; 42 U.S.C. and 42 U.S.C. § 9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.); (iii) the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); (iv) the Clean Water Act (33 U.S.C. § 1251 et seq.); (v) the Clean Air Act (42 U.S.C. § 7401 et seq.); (vi) the Safe Drinking Water Act (21 U.S.C. § 349; 42 U.S.C. § 201 and § 300f et seq.); (vii) the National Environmental Policy Act of 1969 (42 U.S.C. § 4321); (viii) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); and (ix) comparable state statutes.

"Excused Delays" shall mean any suspension or delay in the College's performance of its duties and obligations pursuant to Article VI of this Agreement by reason of the occurrence of any one or more of the following conditions or events: (a) any event or condition beyond the reasonable control of the College, including but not limited to acts of God, strikes, weather conditions, unanticipated shortages of materials, acts of a public enemy, including acts of terrorism, or other similar events; (b) subsurface conditions relating to the Project Site; (c) the presence of Hazardous Materials on the Project Site or the actual or alleged violation or required compliance with any Environmental Law which is not caused by the College; or (d) acts of or a failure to act by the Board, the County or either of the Cities. In the event that the College desires to assert an Excused Delay as the reason for any failure or delay in performing any obligation or agreement under Article VI or Article VII of this Agreement, the College shall notify the other parties hereto of such Excused Delay and set forth in such notice the College's good faith estimate of the number of days of Excused Delay expected to result therefrom, and shall advise the other parties hereto of any change in such estimate. Any Excused Delay shall be deemed to commence on the day that the event causing such Excused Delay first adversely affects performance of the College's obligations.

"Facility Management Subcontractors" shall mean third party service providers deemed, from time to time, by the College to be necessary or appropriate to assist the College in the performance of its duties as manager of the Project pursuant to Article VII of this Agreement.

"Government Authorities" shall mean all municipal, county, state and federal governments, agencies, authorities, courts and officials now or hereafter having jurisdiction over the Project Site.

"Ground Lease" shall mean the lease of the Project Site to the Board by the College as provided in Article III of this Agreement.

"Hazardous Materials" means any petroleum product, and any hazardous, toxic or

dangerous waste, substance or material defined as such in Environmental Law.

"Legal Requirements" shall mean all current laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations and other requirements of all Government Authorities now or hereafter applicable to or affecting the Project Site or any use or condition of the Project Site.

"Operating Budget" shall mean the budget prepared by the College pursuant to Section 7.10 for each fiscal year to operate and maintain the Project.

"Person" shall mean any natural or artificial legal entity whatsoever, including, without limitation, any individual, general partnership, limited partnership, incorporated association, sole proprietorship, corporation, trust, business trust, real estate investment trust, Government Authority or joint venture.

"Plans" shall mean the Plans for the Project prepared pursuant to Article VI of this Agreement.

"Preliminary Plans" shall mean the Preliminary Plans for the Project included in the Phase II Report submitted to the College, the County and the Cities by the Project Manager dated October 5, 2005.

"Project" shall mean the civic arts center, including the building and all equipment therein, to be constructed and equipped pursuant to this Agreement.

"Project Lease" shall mean the Lease Agreement with respect to the Project from the Board to the County and the Cities.

"Project Management Agreement" shall mean the Project Management Agreement between the College and the Project Manager to provide for the oversight of the development and construction of the Project by the Project Manager.

"Project Manager" shall mean Lawler-Wood, LLC, or such other developer as is acceptable to the College.

"Project Site" shall mean the property to be leased to the Board by the College pursuant to Article III of this Agreement on which the Project will be located, which property is described on **Exhibit A** attached hereto.

ARTICLE II **PLANS AND SPECIFICATONS**

2.1 **COMPLETION AND APPROVAL OF PLANS.** The College shall cause the Plans for the Project to be completed in consultation with the Designated Representatives of the County and the Cities. Such Plans shall be in sufficient form for the College to obtain an

accurate estimate of the cost of the Project. The Plans shall be consistent in all materials in respect with the Preliminary Plans previously submitted to the County and the Cities.

2.2 COST TO COMPLETE PLANS. The College shall pay all costs incurred prior to the issuance of the Bonds in connection with the completion of the Preliminary Plans and the Plans as provided in Article II, provided that the College shall be entitled to reimbursement for such costs from the proceeds of the sale of the Bonds.

2.3 CHANGES TO PLANS. The College will not permit any change to be made to the Plans if such change would materially alter the Plans with respect to the appearance, design or size of the Project described in the Preliminary Plans already approved by the parties hereto.

ARTICLE III **AGREEMENT TO GROUND LEASE**

3.1 GROUND LEASE OF PROJECT SITE. The College agrees to lease the Project Site to the Board pursuant to the Ground Lease, the form of which is attached as **Exhibit B** hereto. The Ground Lease shall be executed and delivered by the Board and the College contemporaneously with the issuance of the Bonds, and the contemporaneous issuance of the Bonds shall be a condition precedent to the execution and delivery of the Ground Lease.

3.2 ACCESS AND PARKING AGREEMENTS. Prior to and as a condition precedent to the execution of the Ground Lease, the College and the Board shall agree upon (a) a parking license agreement to permit adequate overflow parking for Persons attending events at the Project on adjacent property of the College and (b) such access and construction easements as may be required to provide vehicular access to the Project Site and to permit the grading of the Project Site and the construction thereon of the Project.

ARTICLE IV **AGREEMENT TO LEASE PROJECT**

4.1 PROJECT LEASE. The County and the Cities agree to lease the Project pursuant to the Project Lease, the form of which is attached as **Exhibit C** hereto. The Project Lease shall be executed and delivered by the Board and the College contemporaneously with the issuance of the Bonds, and the contemporaneous issuance of the Bonds shall be a condition precedent to the execution and delivery of the Project Lease.

4.2 RENTAL PAYMENTS UNDER PROJECT LEASE. The rent payable under the Project Lease shall be equal to the payments of principal and interest on the Bonds plus any ongoing expenses, such as expenses of any bond trustee, relating to the administration of the Bonds. The County shall be responsible for the payment of ___% of the rent payable under the Project Lease; Maryville shall be responsible for the payment of ___% of the rent payable

under the Project Lease; and Alcoa shall be responsible for the payment of ___% of the rent payable under the Project Lease. The obligations of the County and the Cities under the Project Lease to pay rent shall be several and not joint.

ARTICLE V
ISSUANCE OF BONDS

5.1 **ISSUANCE OF BONDS.** Within sixty (60) days of the date of approval of the Plans by the parties hereto pursuant to Section 2.1 hereof and compliance by the College with Section 10.2 hereof, the Board shall use its best efforts to cause the issuance of the Bonds. The Bonds shall be sold in such manner as is determined by the Board of Directors of the Board, provided that terms of sale shall be consistent with Section 5.2 hereof.

5.2 **TERMS OF BONDS.** The principal amount of the Bonds shall not be in excess of the maximum amount required to design, construct and equip the Project, including "soft costs" associated with construction, as set forth in Development Budget plus the costs of issuing the Bonds, provided in no event shall the maximum principal amount of the Bonds exceed \$45,000,000. The Bonds shall mature not later than 50 years from the date of their issuance. The payment of interest on the Bonds shall commence no later than ___ years from the date of issuance of the Bonds, and the payment of principal of the Bonds shall commence no later than ___ years from the date of issuance of the Bonds. The maximum principal amount, amortization schedule and interest rates with respect to the Bonds shall be subject to the approval of the Designated Representatives of the County and each of the Cities, and the Board shall not enter into a written commitment to sell the Bonds until such approvals are obtained by the Board.

5.3 **LAST DATE FOR ISSUANCE OF BONDS.** If the Bonds are not issued on or before June 30, 2006 (unless such date is extended by the Designated Representatives of all of the parties to this Agreement), this Agreement shall terminate on such date, and the parties shall have no further obligations hereunder other than their obligations under Section 2.3.

ARTICLE VI
ENGAGEMENT OF COLLEGE AS THE DEVELOPER OF THE PROJECT

6.1 **EXCLUSIVE ENGAGEMENT OF COLLEGE.** The Board hereby engages the College to serve as exclusive developer of the Project. In such capacity, the College shall be responsible for assembling the resources necessary to construct the Project in accordance with the Plans and the Development Budget, with the funds provided for herein. The College hereby accepts such engagement in accordance with and subject to the provisions set forth in this Agreement.

6.2 **AUTHORITY AND RESPONSIBILITY OF THE COLLEGE.** The Board hereby authorizes the College, and the College hereby agrees, to select, engage, coordinate and supervise all Construction Consultants, including the Project Manager, in connection with the development and construction of the Project. The College shall enter into contracts or

agreements with each Construction Consultant in the College's own name. The College shall proceed diligently with the development and construction of the Project and shall cause the completion of the Project in accordance with the provisions of this Agreement. Among the other responsibilities of the College are:

(a) The College shall engage or cause to be engaged all Construction Consultants for the Project, subject to the limitations of this Agreement. Prior to the date of issuance of the Bonds, the College shall enter into the Project Management Agreement with the Project Manager pursuant to which the Project Manager will agree to oversee the development and construction of the Project in a manner consistent with the obligations of the College under this Agreement.

(b) The College shall manage and coordinate the services of the Construction Consultants responsible for the design and construction of the Project. The College shall review, verify, and recommend for payment all applications for payment submitted as a Disbursement Request as described in Section 6.5 hereof.

(c) The College shall obtain, or cause to be obtained by others, all permits and approvals from Government Authorities and other authorities which, under law, are necessary to commence, prosecute, complete, occupy and use the Project. The Board agrees to execute any and all consents, certificates or other documents which may be required in order to allow the College to obtain, or to expedite the obtaining by the College of, all such permits and approvals.

(d) The College shall prepare, or cause to be prepared by others, all applications necessary to obtain commitments for water, sewer, electricity, telephone and other utility services necessary for the construction and operation of the Project. All such applications shall be completed and obtained by the College in its own name and processed by the College on a timely basis. The Board agrees to execute any and all consents, certificates, or other documents, which may be required, in order to allow the College to obtain, or to expedite the obtaining by the College of, all such permits and approvals.

(e) The College shall direct, supervise, coordinate and monitor the activities of all Construction Consultants engaged in the development and construction of the Project; review, verify and recommend for payment all applications for payment, invoices and statements submitted by such Consultants to be paid as a Disbursement Request as described in Section 6.5 hereof, inspect and monitor the work and activities of such Construction Consultants; and inspect construction and progress on a regular basis.

(f) The College shall advise and assist the Board with respect to the execution of such easements, dedications, covenants, variances and any and all other administrative approvals or consents as the College considers necessary or appropriate for the Project.

(g) The College shall observe the progress of the Project from time to time and provide or cause to be provided by the Project Manager monthly reports (which shall

include cost and scheduling analysis) to the Board, the County and the Cities concerning the College's evaluation of the progress of the Project.

6.3 COMPLETION OF PROJECT. The College shall perform all of the College's obligations set forth in this Article IV in a timely manner in accordance with the terms of this Agreement. The College shall notify the Board promptly upon the occurrence of any Excused Delays and shall use its good faith efforts to overcome any delays in connection with the performance of the College's obligations resulting therefrom. The College shall obtain a Certificate of Occupancy for the Project on or before September 1, 2010 with such deadline being extended for each day of delay resulting from any Excused Delays.

6.4 COSTS AND EXPENSES TO COMPLETE PROJECT.

(a) The College, in consultation with the Project Manager has submitted to the other parties hereto the Development Budget, attached hereto as Exhibit E, which includes all anticipated costs relating to the development, construction and equipping of the Project.

(b) The Board shall approve disbursements of the proceeds of the Bonds to pay costs of the Project that are included in the Development Budget. In the event any cost is incurred with respect to the development or construction of the Project for any item in excess of the Development Budget, the College shall be responsible for paying any such cost unless such cost was approved by the governing bodies of the Board, the County and the Cities, provided, however, that if the College demonstrates to the satisfaction of the Designated Representatives of the Board, the County and the Cities that savings are available in one item of the Development Budget that can offset any excess amounts in another line item in the budget, the College will be permitted to allocate such savings to pay such excess costs.

6.5 PAYMENT OF BUDGETED DEVELOPMENT AND CONSTRUCTION COSTS BY THE BOARD; METHOD OF PAYMENT. The parties hereto acknowledge that, in order for the College to perform all of its obligations under this Project and deliver the Project to the Board in a timely fashion, the Board must make available to the College the proceeds of the Bond to pay costs incurred in connection with the performance of the obligations of the College set forth in this Article up to the aggregate amounts set forth in each item of the Development Budget. To that end, the Board agrees to make the proceeds of the Bonds (less amounts available to pay costs of issuance of the Bonds) available to the College to pay the costs of the Project in the following manner:

(a) On or prior to the last day of each calendar month until the Completion Date and the payment of the costs of the Project, the College shall deliver to the Board (i) a request for disbursement in form reasonably acceptable to the Board and containing a certification by the College as to the percentage of the Project completed, in sufficient detail in order to allow the Board to verify the sufficiency and adequacy of all such costs and expenses in accordance with the Development Budget, and (ii) such other materials as are required under the Bond Documents to obtain a disbursement of the proceeds of the Bonds in the amount set forth in such disbursement request (any such schedule and other materials being referred to herein as a "Disbursement Request").

(b) Within five (5) days after the Board's receipt of a complete Disbursement Request satisfactory to the Board, the Board shall submit (or shall direct the College to submit) a corresponding request for disbursement under the Bond Documents. The Board shall diligently seek to obtain such disbursement under the Bond Documents.

(c) The College acknowledges and agrees that all amounts to be disbursed pursuant to a Disbursement Request submitted by the College to the Board shall be used to pay for costs and expenses permitted under the Bond Documents and which are (i) amounts due to the Project Manager or other Construction Consultants in connection with work performed on or with respect to the Project, or (ii) other line items set forth in the Development Budget.

6.6 GUARANTIES AND WARRANTIES. The College shall use its good faith efforts to obtain normal and customary warranties or guaranties from each Construction Consultant for the work to be performed by each Construction Consultant in connection with the Project, which are fully assignable to the Board, and upon the completion of the Project by the College pursuant to terms of this Agreement, the College hereby agrees to assign to the Board, without recourse, each such warranty and guaranty.

6.7 BOOKS, RECORDS, REPORTS, FISCAL MATTERS.

(a) Books. The College shall maintain for the Board current and complete records and accounts of all transactions with respect to the Project and the development and construction of the Project. Such books of account shall be maintained at the College's office in Maryville, Tennessee or at such other place as the parties shall agree upon, and the Board and its accountants, auditors and agents shall have access to such books and accounts during normal business hours upon reasonable prior written notice. The College shall maintain said books and accounts in a safe manner and separate from any records not dealing directly with the Project. Such books and accounts shall be kept in accordance with sound accounting practices consistently applied, and otherwise in such manner as shall be reasonably required by the Board.

(b) Records. The College shall maintain, in a secure and safe manner, complete and identifiable records, files and correspondence on all matters pertaining to the Project.

(c) Reports. Not later than the twentieth (20th) day following each month after commencement of the construction of the Project, the College shall furnish the Board, the County and the Cities (i) a statement of all disbursements made by the College in connection with the Project for the preceding month, prepared in such reasonable detail and form as shall be required by the Board, and (ii) a development status report detailing the status of development on the Project.

(d) Property of the College. All such books and records shall be and remain the property of the College; provided, however, that the Board shall at all reasonable

times have access to such books and records for inspection, audit, copying, examination and transcription.

(e) Audit. The Board shall have the right, during normal business hours, to inspect and audit at any time, and from time to time, all of the College's files, books, records, costs and expenses pertaining to the development and construction of the Project.

6.8 EMPLOYEES. The College shall, at its expense, hire and retain, as employees of the College (or as employees of a Construction Consultant), and not as employees of the Board, such personnel as may be required to properly perform the College's functions under this Article. The compensation, retention and performance of employees hired by the College shall be controlled exclusively by the College. The College shall be responsible for complying with all laws and regulations affecting such employment, including the provision of any benefits or compensation required by statute or contract.

6.9 THE COLLEGE'S EFFORTS. The College shall furnish its reasonable skill and judgment, acting through its Construction Consultants, in developing and constructing the Project and in advising the Board with respect to the Project. The College shall cause the Project to be completed in as expeditious and economical a manner as is practicable and consistent with the Plans. The College shall use reasonable efforts to cause the completed Project to fully comply with all Legal Requirements, including Environmental Laws. The College will comply with all applicable Legal Requirements (including applicable Environmental Laws) in performing its services pursuant to this Article. The College shall use its good faith efforts to cause the Project to be completed in a lien free manner, and shall promptly remove or cause to be removed by bonding or otherwise all liens filed against the Project Site and/or related to the Project.

6.10 INSURANCE. The College, during the period of the development and construction of the Project, shall place and maintain (or cause to be placed or maintained), builder's risk insurance in the full replacement value of the Project. The Board shall be shown as the payee and insured under such policy, and all proceeds of such insurance shall be payable to the Board or its designee. Such policy shall provide that it shall not be cancelled without at least thirty (30) days' prior written notice to the Board.

6.11 SUBSTANTIAL DESTRUCTION. If, prior to completion of the Project, (a) the Project is totally destroyed by any cause, or (b) the Project or the Project Site is so substantially damaged or destroyed that reconstruction would require more than one (1) year to complete beyond the original anticipated completion date, then, in either event, the Board shall have the right to terminate this Agreement as of the date of such destruction by notifying the College within sixty (60) days after such damage or destruction, and, subject to the payment by the Board, but solely from the proceeds of the Bonds, of all amounts due to Project Manager or any Construction Consultants, the parties hereto shall have no further rights or obligations hereunder.

6.12 OBLIGATION TO REBUILD. If, prior to the completion of the Project, the Project or the Project Site should be destroyed or damaged by any cause, and Section 6.11

shall not be applicable or, if applicable, Owner does not elect to terminate this Agreement as provided in Section 6.11, then the College shall, subject to the availability of the proceeds from insurance being made available to it, promptly proceed to reconstruct, restore and repair the Project and/or the Project Site, as applicable, to the condition substantially equivalent to their condition immediately prior to the event causing such casualty. In the event of any such casualty, an Excused Delay shall be deemed to have occurred as of the date of the event of the casualty, and the completion deadline under this Agreement shall be extended accordingly.

ARTICLE VII
ENGAGEMENT OF THE COLLEGE AS FACILITY MANAGER

7.1 **FACILITY MANAGEMENT BY COLLEGE.** The Board hereby engages the College to act on the Board's behalf to manage and operate the Project for the term provided for herein following the Completion Date. The College shall pay all costs incurred in connection with the performance of its obligations hereunder to the extent such costs exceed the revenues from the operation of the Project. The Board, the County and the Cities hereby grant to the College all necessary power and authority to perform its obligations under this Article. The College hereby accepts such engagement in accordance with and subject to the provisions set forth in this Agreement. The College agrees to provide such services in consideration for the availability of the Project for programs sponsored by the College in accordance with the policies described in Section 9.3 and agrees that no additional compensation for such services shall be payable hereunder.

7.2 **RESPONSIBILITY AND AUTHORITY OF THE COLLEGE WITH RESPECT TO OPERATION OF PROJECT.**

(a) The College's general duty and responsibility pursuant to this Agreement shall be to manage and to supervise the Project. In discharging its general duty and responsibility, the College shall perform the following specific duties. The College will assemble the resources, supervise and direct the management of the Project. The duties of the College with respect to the management of the Project are as follows:

(i) The College shall hire/engage and supervise all full or part-time employees and service providers required in connection with the operation and maintenance of the Project;

(ii) To the extent necessary in the performance of its duties, the College shall negotiate the fees, charges and expenses of Facility Management Subcontractors required in connection with the Project;

(iii) The College shall make, cause to be made, or supervise all ordinary and necessary repairs, alterations, and Capital Improvements to the Project as appropriate;

(iv) The College will provide or supervise periodic cleaning and

janitorial services, with its employees or through a third party service provider;

(v) The College shall oversee the procurement of all goods, materials, supplies, appliances, uniforms, tools, inventory and equipment (the "Supplies") needed to operate the Project;

(vi) The College shall monitor and pay all utility charges and services related to the Project;

(vii) The College shall maintain an efficient business administration and superintendence of the Project;

(viii) The College shall prepare, submit, monitor, and propose revisions to the Operating Budget;

(ix) The College will assist in the moving, arrangement, and relocation of furniture and movable equipment in connection with the ordinary, day-to-day operations, such as the moving and installation of portable dividers or cubicles, the arrangement of furniture and equipment to facilitate presentations or meetings, and similar activities;

(x) the College shall engage or cause to be engaged all Facility Management Subcontractors reasonably needed to fulfill the Board's duties in connection with the operation and maintenance of the Project;

(xii) the College shall monitor the condition of the Project and provide periodic reports (which shall include, as applicable, cost and scheduling analysis) to the Board, the County and the Cities concerning the College's evaluation of the Project on an ongoing basis, to the extent of any material occurrences or changes in connection with the Project;

(xiii) the College shall provide periodic reports regarding the operation to the Project to the Board, the County and the Cities;

(xiv) the College shall coordinate and monitor repairs, replacements, refurbishments and capital maintenance as are needed to operate and maintain the Project in a first-rate condition; and

(xv) the College will establish and maintain a calendar for the use of the Project and will schedule, in compliance with the policies of the Advisory Board, the use of the Facility by Persons desiring to use the Project.

7.3 FACILITY MANAGEMENT. The College shall perform all of the College's obligations set forth in this Article VII in a timely and competent manner in accordance with the terms of this Agreement. The College shall notify the Board upon the occurrence of any Excused Delays in connection with the performance due by the College pursuant to this

Agreement, and shall use its good faith efforts to overcome any delays in connection with the performance of the College's obligations resulting therefrom.

7.4 TERM AS MANAGER. The term that the College shall act as facility manager pursuant to this Article shall commence (the "Commencement Date") on the date of completion of the Project and shall end forty (40) years thereafter. The parties hereto agree to enter into good faith negotiations at least one year prior to the expiration of this term to extend the term that the College will act as facility manager pursuant to this Article for the remaining term of the Ground Lease.

7.5 GUARANTIES AND WARRANTIES. The College shall use its good faith, commercially reasonable efforts to obtain normal and customary warranties or guaranties from each Facility Management Subcontractor for the work to be performed by each Facility Management Subcontractor in connection with the operation and maintenance of the Project, which are fully assignable to the Board, for the benefit of the County and the Cities.

7.6 BOOKS, RECORDS, REPORTS, FISCAL MATTERS.

(a) Books. The College shall maintain current and complete records and accounts of all transactions with respect to operation and maintenance of the Project. Such books of account shall be maintained at the College's office in Maryville, Tennessee or at such other place as the parties shall reasonably agree upon. The Board, on behalf of the County and the Cities, and its accountants, auditors and agents, shall have access to such books and accounts during normal business hours upon reasonable prior written notice. The College shall maintain said books and accounts in a safe manner and separate from any records not dealing directly with the operating and maintenance of the Project. Such books and accounts shall be kept in accordance with sound accounting practices consistently applied, and otherwise in such manner as shall be reasonably required by the Board.

(b) Records. The College shall maintain, in a secure and safe manner, complete and identifiable records, files and correspondence on all matters pertaining to the operation and maintenance of the Project which are provided or made available to the College.

(c) Reports. The College shall submit to the Board, the County and the Cities quarterly reports detailing the expenditures made by the College in connection with the Project during the preceding month, year-to-date expenses and variances with respect to the Operating Budget, and a report as to any material issues relating to the operating and maintenance of the Project. Within sixty (60) days following the end of each fiscal year of the Board, the College will submit to the Board, the County and the Cities the proposed annual Operating Budget for the current fiscal year required by Section 6.10 and an annual update to a five (5) year capital maintenance and replacement plan for the Project.

(d) Property of the College. All such books and records shall be and remain the property of the College; provided, however, that the Board shall at all reasonable times have access to such books and records for inspection, audit, copying, examination and

transcription.

(e) Audit. The Board shall have the right, during normal business hours, to inspect and audit at any time, and from time to time, all of the College's files, books, records, costs and expenses pertaining to the Project.

7.7 STAFFING. The College shall hire employees or engage Contractors and/or Consultants, as it deems appropriate, to perform its obligations under this Article and the College shall have the authority and responsibility for the staffing for such services. The College will comply with all applicable Legal Requirements, including citizenship and security clearance requirements, with respect to all staffing requirements..

7.8 THE COLLEGE'S EFFORTS. The College shall use its reasonable skill and judgment in performing the operating and maintenance services required by this Article. The College shall use its good faith, commercially reasonable efforts to cause the operation and maintenance of the Project to be managed in as expeditious and economical a manner as is practicable. The College shall use its good faith efforts to cause such operation and maintenance services to be completed: (a) in compliance with all Legal Requirements; and (b) in a lien free manner, and shall promptly remove or cause to be removed by bonding or otherwise all liens filed against the Project Site or related to the Project.

7.9 APPLICATION OF REVENUES. All revenues from the operation of the Project shall be deposited in a separate account established by the College for such purpose. The College shall apply such revenues solely to pay expenses related to the operation and maintenance of the Project incurred by the College pursuant to this Article; provided, however, that if there are any excess revenues over expenses during any fiscal year, such excess revenues shall be held in such special account and used to pay costs, including the cost of Capital Improvements, incurred in connection with the operation, maintenance and improvement of the Project. In no event shall any revenues from the Project be commingled with the general funds of the College and used for any purposes of the College other than its obligations pursuant to this Article. To the extent the expenses incurred by the College to fulfill its obligations under this Article exceed the revenues from the Project in any fiscal year, the College shall be responsible for funding any such shortfall.

7.10 OPERATING BUDGET. At least ninety (90) days prior to the expected completion date for the Project, the College shall prepare an initial, annual budget for monthly operation and maintenance expenses (the "Operating Budget") for the first fiscal year that the Project will be in operation. As required by Section 7.8, the College will prepare and submit to the Board, the County and the Cities the Operating Budget for each fiscal year. The Board, the County or either City at their option may comment on such Operating Budget. The College will use its best efforts to operate and maintain the Project in accordance with the submitted Budget.

ARTICLE VIII
INDEMNIFICATION AND INSURANCE

8.1 INDEMNIFICATION. The College shall indemnify and save the Board, the County and the Cities harmless in respect of, and at the request of any of them, defend any action, cause of action, suit, debt, cost, expense, claim, or demand whatsoever brought or asserted by any third person whomsoever, at law or in equity, arising by way of any breach by the College, its employees, servants, agents, or other persons for whom it is responsible, of any of the provisions of this Agreement or by reason of the negligent act or omission or willful misconduct of the College, its employees, servants or agents, or other persons for whom it is responsible, whether committed within or beyond the scope of the College's duties and authority hereunder, which indemnity shall continue notwithstanding the expiration or earlier termination of this Agreement with respect to any act or occurrence preceding such expiration or termination. Nothing contained in this Section shall be deemed to nullify, or to constitute a waiver or relinquishment by the College of, the benefit to the College of any insurance carried by any party hereto with respect to the Project which covers any act, omission or conduct of the College for which the College has indemnified the Board, the County or either City hereunder.

8.2 INSURANCE. After the completion of the Project, the College shall maintain insurance providing the types and amounts of coverages more particularly described in Exhibit D attached hereto. All of the such policies of insurance shall: (i) name and designate the Board, the County and each City e as a named insured; (ii) be issued by insurers and be in forms and for amounts reasonably acceptable to the Board, the County and the Cities; and (iii) comply with all requirements of the Bond Documents. Without limiting the foregoing, all insurance shall be effected under valid and enforceable policies issued by insurers of recognized responsibility, and shall, to the extent obtainable, provide that such policies shall not be cancelled without at least thirty (30) days' prior written notice to each insured named therein.

8.3 EFFECT OF CASUALTY. If the Project is destroyed, substantially destroyed or damaged after the completion of the Project, the parties agree that Project shall be rebuilt unless the parties hereto agree to the contrary and that all insurance proceeds (after deducting any costs incurred in recovering such proceeds) shall be applied to the payment of the cost of rebuilding or repairing the Project. If the cost of such rebuilding or repair exceeds the available insurance proceeds, the College shall be responsible for paying any shortfall.

ARTICLE IX ADVISORY BOARD

9.1 ESTABLISHMENT OF ADVISORY BOARD. In order to assist with efficient operation of the Project for the benefit of the public, the parties hereto agree to create a Civic Arts Center Advisory Board (the "Advisory Board") to provide oversight to the College in the operation of the Project. The Advisory Board shall consist of thirty (30) members, eight of whom shall be appointed by Maryville College, six of whom shall be appointed by the County, five of whom shall be appointed by Maryville, three of whom shall

be appointed by Alcoa and six of whom shall be appointed jointly by the Designated Representatives of the parties hereto. The members of the Advisory Board shall establish bylaws therefor, which bylaws shall establish the terms of the members thereof and establish rules for the operation of the Advisory Board.

9.2 EXECUTIVE COMMITTEE. The Advisory Board shall establish an executive committee consisting of five members, two of whom will be selected by the College and the remaining three members will be selected by the County and each City. The Executive Committee shall have the authority to act for the Advisory Board as needed to consider issues in a timely manner when it is not practical for the Advisory Board to meet as a whole.

9.3 ESTABLISH OF USE POLICIES. The Advisory Board shall establish policies regarding the use of Project, including the priority in scheduling by Persons requesting the use of the Project. These policies shall be subject to the approval of the Designated Representatives of the parties hereto. The parties hereto acknowledge that the Project shall be operated as a public facility and that no party shall have exclusive control of any portion of the Project (except the College may have exclusive control of such office space as is necessary to manage the Project) and that members of the public shall have reasonable access to the use of the Project. The parties also acknowledge that the Bonds are to issued as obligations the interest on which is to be excluded from gross income for federal income tax purposes, and in order to preserve such exclusion, the use of the facility by potential users may need to be limited in accordance with federal tax laws. The parties agree to only approve policies adopted by the Advisory Board that are consistent with the public nature of the Project and the tax-exempt status of the Bonds. The College agrees to operate the Project in a manner consistent with the policies adopted by the Board and approved by the Designated Representatives of the County and the Cities.

ARTICLE X CONTRIBUTION BY COLLEGE

10.1 CONTRIBUTIONS TOWARD DEBT SERVICE. In consideration of the benefit to the College from having the opportunity to use the Project and from the enhancement to the quality of life to the students of the College from having the Project located adjacent to the campus the College, the College agrees to contribute to the Board Twenty Million Dollars (\$20,000,000) to pay the first Twenty Million Dollars (\$20,000,000) of debt service payments due with respect to the Bonds. The College agrees to make such contributions as needed to pay debt service on the Bonds to or at the direction of the Board at least thirty (30) days before each date such debt service payments are due to the holders of the Bonds until the College has made the entire contribution required hereby.

10.2 PLEDGES. Prior to and as a condition precedent to the issuance of the Bonds, the College shall provide to the Board, the County and the Cities evidence satisfactory to the Designated Representatives of the County and the Cities that the College has received contributions and/or enforceable pledges from donors of funds in an amount not less than

_____ Million Dollars (\$_____) that will be available to satisfy the College's obligations under Section 10.1 hereof. To assist the College in obtaining the pledges described in this paragraph, the College shall be entitled to grant donors the right to name specific rooms and areas in the Project provided that the grant of such naming rights does not adversely affect the tax-exempt status of the Bonds.

ARTICLE XI
DEFAULTS AND REMEDIES

11.1 **DEFAULTS GENERALLY.** Except as described in Section 11.2 hereof, if any party fails to perform any of its obligations hereunder and fails to cure such failure within ninety days (90) after notice of such failure from any other party hereto, the party that fails to perform its obligations shall be deemed in default hereunder, and the other parties hereto shall be entitled to exercise such remedies as are permitted by law or equity as a remedy for such breach.

11.2 **SPECIFIC DEFAULTS BY COLLEGE.** In addition to the remedies described in Section 11.1 above, if the College fails to perform any of its obligations under Articles VI or VII or Section 10.1 hereof and such failure is not cured within ninety days (90) days (thirty (30) days in case of a failure to comply with Section 10.1) after notice of such failure from any other party hereto, the Board may terminate the College's right to perform any of the obligations under Articles VI and VII that have not been performed to date, and the Board may retain a third party to perform any of such obligations. Upon such termination, the College shall assign to the Board all contracts and agreements relating to the development, construction, operation and maintenance of the Project as to which the Board requests assignment and shall be responsible to the Board for any additional cost incurred by the Board, the County or the Cities in retaining a third party to perform the obligations of the College under Articles VI or VII of the Agreement. Such termination shall not effect the College's obligation to make the contributions required by Section 10.1.

11.3 **NO WAIVERS.** No waiver by any party hereto of any violation or breach of any of the terms, provision or covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, or covenants herein contained. Forbearance by any party in enforcing one or more of the remedies herein provided upon a default by another party shall not be deemed or construed to constitute a waiver of such default or of the non-defaulting party's right to enforce any remedies with respect to any such default or any subsequent default. If, on account of any default by any party of its obligations under the terms and conditions of this Agreement, it shall become necessary or appropriate for another party to employ or consult with an attorney to enforce or defend any of the such party's rights or remedies hereunder, the defaulting party agrees to pay the reasonable attorney's fees so incurred by the non-defaulting party.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES

12.1 Representations by Board. The Board represents and warrants that: (a) it is a public nonprofit corporation duly organized and existing under the laws of the state of Tennessee; (b) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; (c) by proper action it has been duly authorized to execute and deliver this Agreement; and (d) the execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or conditions of any limited liability company restriction or agreement to which the Board is now a party or by which it is bound and do not constitute a default under any of the foregoing and do not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Board under the terms of any instrument or agreement other than this Agreement or the Bond Documents.

12.2 Representations by College. The College represents and warrants that: (a) it is a nonprofit corporation duly organized and existing under the laws of Tennessee; (b) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; (c) by proper action it has been duly authorized to execute and deliver this Agreement; and (d) the execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or conditions of any agreement to which the College is now a party or by which it is bound, and do not constitute a default under any of the foregoing and do not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of College under the terms of any instrument or agreement other than this Agreement.

12.3 Representations by County. The County represents and warrants that: (a) it is a county duly organized and existing under the laws of Tennessee; (b) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; (c) by proper action it has been duly authorized to execute and deliver this Agreement; and (d) the execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or conditions of any agreement to which the County is now a party or by which it is bound, and do not constitute a default under any of the foregoing and do not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of County under the terms of any instrument or agreement other than this Agreement.

12.4 Representations by Maryville. Maryville represents and warrants that: (a) it is a municipal corporation duly organized and existing under the laws of Tennessee; (b) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; (c) by proper action it has been duly authorized to execute and deliver this Agreement; and (d) the execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or conditions of any agreement to which Maryville is now a party or by which it is bound, and do not constitute a default under any of the foregoing and do not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Maryville under the terms of any instrument or agreement other than this Agreement.

12.5 Representations by Alcoa. Alcoa represents and warrants that: (a) it is a

Maryville, Tennessee _____
Fax: _____

If to Alcoa

City of Alcoa, Tennessee

Alcoa, Tennessee _____
Fax: _____

Each party shall have the right to change the address to which Notices to it are to be sent by giving written notice of said change to the other parties as provided in this Section.

13.2 ENTIRE AGREEMENT, MODIFICATIONS. This Agreement constitutes the sole and entire agreement between the parties hereto with respect to the matters set forth herein, and no representation, warranty, covenant, inducement or obligation not included in this Agreement shall be binding upon either party hereto. No modification, alteration or amendment of this Agreement shall be binding unless signed by the party against whom such modification, alteration, or amendment is sought to be enforced.

13.3 GOVERNING LAW, SEVERABILITY. This Agreement shall be governed by, and interpreted, construed and enforced in accordance with, the laws of the State of Tennessee. If any portion of any provision of this Agreement shall be declared invalid or unenforceable under applicable law, then the performance of such portion shall be excused to the extent of such invalidity or unenforceability, but the remainder of this Agreement shall remain in full force and effect.

13.4 REFERENCES AND EXHIBITS. Whenever in this Agreement there is any reference to any article, section, or exhibit, unless the context shall clearly indicate otherwise, such reference shall be interpreted to refer to an article, section, or exhibit in or to this Agreement. Each exhibit referred to in this Agreement is hereby incorporated herein by reference and made a part of this Agreement in the same manner as if it were restated verbatim herein.

13.5 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement. It shall not be necessary that each party execute each counterpart, or that any one counterpart be executed by more than one party, so long as each party executes at least one counterpart.

13.6 INTERPRETATION OF THIS AGREEMENT. The parties acknowledge that each part and its counsel have participated in the negotiation and preparation of this Agreement. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing the Agreement to be drafted.

13.7 GENDER AND NUMBER. All words and phrases used in this Agreement,

including, without limitation, all defined words and phrases, regardless of the number or gender in which used, shall be deemed to include any other number or gender as reasonably may be required by the context.

13.8 WAIVER OF CONDITIONS. Each party shall have the right, in its sole discretion, for any reason or for no reason, to waive any condition precedent or contingency contained in this Agreement for the benefit of said party, provided that such waiver shall be in writing and if any such waiver occurs, this Agreement shall be interpreted and construed as if such condition precedent or contingency had never been a part of this Agreement, except to the extent that said condition precedent or contingency is stated in this Agreement to be also for the it of the other party.

13.9 CAPTIONS. The captions appearing in this Agreement are for convenience of reference only, shall in no way limit or enlarge any terms or conditions of this Agreement, and shall not be used to construe the intent of the parties.

13.10 NO PARTNERSHIP OR JOINT VENTURE. None of the parties hereto shall be deemed to be, for any purpose whatsoever, partners or joint venturers with each other.

13.11 NO ASSIGNMENT; BINDING EFFECT.

(a) The rights of the parties under this Agreement are personal to the parties any may not be assigned without the prior written consent of the other party.

(b) This Agreement shall be binding and shall inure to the benefit of the parties hereto, and their permitted successors and assigns.

13.12 TIME OF THE ESSENCE. Time is of the essence of each and every provision in this Agreement.

13.13 EXCULPATION. The liability of the Board for the breach of any obligations hereunder or under any of the Bond Documents shall be limited to its interest in the Project and the revenues that it receives under the Project Lease.

IN WITNESS WHEREOF, the undersigned the Board, the College, the County and the Cities have caused this Agreement to be executed by their duly authorized representatives.

[Signatures on Next Page]

THE BOARD:

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE BLOUNT COUNTY, TENNESSEE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

THE COLLEGE:

MARYVILLE COLLEGE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

THE COUNTY:

BLOUNT COUNTY, TENNESSEE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

MARYVILLE:

THE CITY OF MARYVILLE, TENNESSEE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

ALCOA:

THE CITY OF ALCOA, TENNESSEE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT A

Project Site Description

EXHIBIT B

Form of Ground Lease

EXHIBIT C

Form of Facility Lease

EXHIBIT D

Description of Required Insurance

EXHIBIT E

Development Budget



International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of

..... and
have entered and/or anticipate entering into one or more transactions (each a “Transaction”) that are or will be governed by this Master Agreement, which includes the schedule (the “Schedule”), and the documents and other confirming evidence (each a “Confirmation”) exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

- (a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this “Agreement”), and the parties would not otherwise enter into any Transactions.

2. Obligations

- (a) **General Conditions.**
 - (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
 - (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
 - (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable: —

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) **Basic Representations.**

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event) to be complied with or performed

by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) ***Credit Support Default.***

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) ***Misrepresentation.*** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default under Specified Transaction.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross Default.*** If “Cross Default” is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) ***Bankruptcy.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its

winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: —

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) **Right to Terminate.** If: —

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) **Effect of Designation.**

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) **Second Method and Loss.** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative

number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount (“X”) and the Settlement Amount of the party with the lower Settlement Amount (“Y”) and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss (“X”) and the Loss of the party with the lower Loss (“Y”).

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because “Automatic Early Termination” applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void

8. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
 - (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

- (a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—
- (i) if in writing and delivered in person or by courier, on the date it is delivered;
 - (ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably: —

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

“Affected Transactions” means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

“Affiliate” means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Applicable Rate” means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

“consent” includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

“Credit Event Upon Merger” has the meaning specified in Section 5(b).

“Credit Support Document” means any agreement or instrument that is specified as such in this Agreement.

“Credit Support Provider” has the meaning specified in the Schedule.

“Default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

“Defaulting Party” has the meaning specified in Section 6(a).

“Early Termination Date” means the date determined in accordance with Section 6(a) or 6(b)(iii).

“Event of Default” has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

“Illegality” has the meaning specified in Section 5(b).

“law” includes any treaty, law, rule or regulation and **“lawful”** and **“unlawful”** will be construed accordingly.

“Local Business Day” means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

“Loss” means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain

resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

“Market Quotation” means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

“Non-default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

“Non-defaulting Party” has the meaning specified in Section 6(a).

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Reference Market-makers” means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

“Scheduled Payment Date” means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under

this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

“Settlement Amount” means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

“Specified Entity” has the meaning specified in the Schedule.

“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Terminated Transactions” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

“Termination Event” means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

“Unpaid Amounts” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined

by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

.....
(Name of Party)

.....
(Name of Party)

By:
Name:
Title:
Date:

By:
Name:
Title:
Date:

ISDA®

International Swap Dealers Association, Inc.

SCHEDULE to the Master Agreement

dated as of

betweenand
("Party A") ("Party B")

Part 1. Termination Provisions.

(a) **"Specified Entity"** means in relation to Party A for the purpose of:—

Section 5(a)(v),

Section 5(a)(vi),

Section 5(a)(vii),

Section 5(b)(ii),

and in relation to Party B for the purpose of:—

Section 5(a)(v),

Section 5(a)(vi),

Section 5(a)(vii),

Section 5(b)(ii),

(b) **"Specified Transaction"** will have the meaning specified in Section 12 of this Agreement unless another meaning is specified here

.....

.....

(c) The **"Cross Default"** provisions of Section 5(a)(vi) will/will not * apply to Party A
will/will not * apply to Party B

If such provisions apply:—

"Specified Indebtedness" will have the meaning specified in Section 12 of this Agreement unless another meaning is specified here

.....

* Delete as applicable.

“Threshold Amount” means

.....

(d) The **“Credit Event Upon Merger”** provisions of Section 5(b)(ii) will/will not * apply to Party A
will/will not * apply to Party B

(e) The **“Automatic Early Termination”** provision of Section 6(a) will/will not * apply to Party A
will/will not * apply to Party B

(f) **Payments on Early Termination.** For the purpose of Section 6(c) of this Agreement:—

- (i) Market Quotation/Loss * will apply.
- (ii) The First Method/The Second Method * will apply.

(g) **Additional Termination Event** will/will not apply*. The following shall constitute an Additional Termination Event:—

.....

.....

.....

.....

.....

For the purpose of the foregoing Termination Event, the Affected Party or Affected Parties shall be:— ..

.....

Part 2. Agreement to Deliver Documents .

For the purpose of Section 4(a) of this Agreement, each party agrees to deliver the following documents, as applicable:—

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
.....	Yes/No*
.....	Yes/No*
.....	Yes/No*
.....	Yes/No*
.....	Yes/No*

* Delete as applicable.

Part 3. **Miscellaneous.**

(a) **Addresses for Notices.** For the purpose of Section 10(a) of this Agreement: —

Address for notices or communications to Party A: —

Address:

Attention:

Telex No.: Answerback :

Facsimile No.: Telephone No.:

Electronic Messaging System Details:

Address for notices or communications to Party B:—

Address:

Attention:

Telex No.: Answerback :

Facsimile No.: Telephone No.:

Electronic Messaging System Details:

(b) **Calculation Agent.** The Calculation Agent is....., unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(c) **Credit Support Document.** Details of any Credit Support Document:—

.....
.....
.....

(d) **Credit Support Provider.** Credit Support Provider means in relation to Party A,

.....
.....
.....
Credit Support Provider means in relation to Party B,

(e) **Governing Law.** This Agreement will be governed by and construed in accordance with English law/the laws of the State of New York (without reference to choice of law doctrine)*.

(f) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply to the following Transactions or groups of Transactions (in each case starting from the date of this Agreement/in each case starting from *)

.....
.....

* Delete as applicable.

(g) “*Affiliate*” will have the meaning specified in Section 12 of this Agreement unless another meaning is specified here

.....

Part 4. Other Provisions.

**FORM OF SCHEDULE
[_____/AMBAC-GO]
(Local Currency - Single Jurisdiction)**

SCHEDULE

to the

Master Agreement

dated as of [DATE]

between

**AMBAC FINANCIAL SERVICES, L.P.
a limited partnership organized under the
law of the State of Delaware (“Party A” or “AFSLP”),**

and

**THE PUBLIC BUILDING AUTHORITY
OF _____ COUNTY, TENNESSEE
 (“Party B” or “Counterparty”)**

**Relating to
Transactions in Which the Obligations of Party B
are Payable from Amounts Paid by
[NAME OF BORROWER]
under any Loan Agreement between
Party B and [NAME OF BORROWER]
identified in the Confirmation to the relevant Transaction.**

Part 1.
Termination Provisions.

In this Agreement:-

(a) “**Specified Entity**” means in relation to Party A for the purpose of:-

Section 5(a)(v) (Default under Specified Transaction), None

Section 5(a)(vi) (Cross Default), None

Section 5(a)(vii) (Bankruptcy), None

Section 5(b)(ii) (Credit Event Upon Merger), None

and in relation to Party B for the purpose of:-

Section 5(a)(v) (Default under Specified Transaction), [NAME OF BORROWER]

Section 5(a)(vi) (Cross Default), [NAME OF BORROWER]

Section 5(a)(vii) (Bankruptcy), [NAME OF BORROWER]

Section 5(b)(ii) (Credit Event Upon Merger), [NAME OF BORROWER]

(b) “**Specified Transaction**” will have the meaning set forth in Section 12 of this Agreement; provided, however, that no transaction shall be a Specified Transaction within the meaning of this Agreement unless the obligations of Party B in respect of such transaction are payable from amounts paid to Party B by [NAME OF BORROWER].

(c) The “**Cross Default**” provisions of Section 5(a)(vi) will apply to Party A and will apply to Party B; provided, however, that Specified Indebtedness with respect to Party B means only any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) of [NAME OF BORROWER] (a) in respect of borrowed money or (b) under an installment sales contract or lease purchase arrangement that secures indebtedness of another party where, in the case of (a) and (b), such obligation is a general obligation of such [CITY/COUNTY/TOWN].

“**Specified Indebtedness**” will have the meaning specified in Section 12 of this Agreement.

“**Threshold Amount**” means with respect to Party A, U.S. \$10,000,000 or its equivalent in any currency, and with respect to Party B, U.S. \$1,000,000 or its equivalent in any currency.

The “**Credit Event Upon Merger**” provisions of Section 5(b)(ii) will apply to Party A and will apply to Party B.

(d) The “**Automatic Early Termination**” provisions of Section 6(a) will apply to Party A and will not apply to Party B; provided, however, that with respect to Party A, an Early Termination Date in respect of all outstanding Transactions will also occur immediately upon the occurrence of an Event of Default specified in Section 5(a)(ix) (as added by Part 1(g)(iv) of this Schedule).

(e) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:-

- (i) Market Quotation will apply.
- (ii) The Second Method will apply.

(f) **Additional Termination Event** will apply. In addition to any Additional Termination Events specified in a Confirmation, the following event shall be an “**Additional Termination Event**”: the exercise by Party B of its option, which it is hereby granted (the “**Termination Option**”), to designate an Early Termination Date at any time. In the case of such an Additional Termination Event, Party B shall be the Affected Party.

(g) **Events of Default.**

(i) Failure to Pay or Deliver. Section 5(a)(i) of this Agreement is hereby amended to read in its entirety as follows:

“(i) Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party, *provided*, that in the case of AFSLP an Event of Default shall be deemed to exist for purposes of this clause (i) only if both AFSLP and the AFSLP Credit Enhancer shall fail to make the required payment and, *provided further*, that in the case of the Counterparty, an Event of Default shall occur and the continuing under this clause (i) notwithstanding payment by the Counterparty Credit Enhancer under the Counterparty Credit Enhancement;”

(ii) Bankruptcy. Clause (6) of Section 5(a)(vii) of this Agreement is hereby amended to read in its entirety as follows:

“(6)(A) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets or (B) any legislative or regulatory body with competent jurisdiction over a party shall recommend or declare the existence of a state of financial emergency or similar state of financial distress in respect of it;”

(iii) Merger Without Assumption. Section 5(a)(viii) of this Agreement is hereby amended to read in its entirety as follows:

“(viii) *Merger without Assumption.* The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity (or also in the case of Party B and without limiting the foregoing, an entity such as a board, body, commission, agency, organization or authority succeeds to the principal functions of, and/or the powers or duties granted to, Party B) and, at the time of such consolidation, amalgamation, merger, transfer or succession:

(1) the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement.”

(iv) Additional Events of Default. The following Events of Default shall be added to Section 5(a) of the Agreement:

“(ix) *Termination Payment Default.* The total of all payments due and owing by Party A, AMBAC Financial Products Inc. (a wholly-owned subsidiary of Party A and referred to herein as “AFPI”) and the AFSLP Credit Enhancer for more than three Local Business Days after notice of failure to make such payments in respect of (A) swap agreements between Party A or AFPI and other counterparties and (B) financial guarantee insurance policies issued by Ambac Assurance Corporation with respect to such swap agreements, exceeds \$10,000,000; or

(x) with respect to the Counterparty, the occurrence and continuance of any event that constitutes an “Event of Default” of the Counterparty under the Standby Agreement or the Bond Security Agreement.”

Part 2. Agreement to Deliver Documents.

For the purpose of Section 4(a) of this Agreement, each party agrees to provide the following documents, as applicable:

(a) Documents to be delivered are:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A	Opinion of counsel to Party A as to the due authorization, execution, delivery and enforceability of this Agreement in the form attached as Exhibit A to this Schedule	As of execution of this Agreement	No
Party A	Annual Report containing audited annual financial statements of Ambac Assurance Corporation	On demand of Party B, after becoming publicly available	Yes
Party A	Opinion of a Managing Director and General Counsel to Party A's Credit Support Provider	As of execution of this Agreement	No
Party A	An executed copy of the AFSLP Credit Enhancement	As of execution of this Agreement	No
Party B	Opinion of counsel to Party B as to the due authorization, execution, delivery and enforceability of this Agreement in the form attached as Exhibit B to this Schedule	As of execution of this Agreement	No
Party B	An executed copy of the Counterparty Credit Enhancement	As of date of execution of this Agreement	No
Party B	A reliance letter from Bond Counsel permitting Party A to rely on the opinion of Bond Counsel with respect to the Bonds and the Loan Agreement providing, among other things, that interest on the Bonds is excludable from gross income for federal income tax purposes except for Tax Code Exceptions	As of date of execution of this Agreement	No
Party B	Certified copies of all	As of execution of	Yes

	documents evidencing the necessary authorizations and approvals with respect to the execution, delivery and performance by Party B of this Agreement	this Agreement	
Party B	Audited annual financial statements of [NAME OF BORROWER]	On demand of Party A, after becoming publicly available	Yes
Party B	Certified copies of Bond Documents	As of execution of this Agreement	Yes
Party B	Transcript of documents and proceedings prepared in connection with the Bonds	As of execution of this Agreement	Yes
Party B	Opinion of counsel to [NAME OF BORROWER]	As of execution of this Agreement	No
Party B	Report of the Comptroller of the Treasury of the State of Tennessee with respect to compliance with the State Funding Board Guidelines for Interest Rate Forward Purchase Agreements	As of execution of this Agreement	No

**Part 3.
Miscellaneous.**

(a) Addresses for Notices. For the purpose of Section 10(a) of this Agreement:

Address for notices or communications to Party A:

Ambac Financial Services, L.P.
One State Street Plaza
New York, New York 10004
Attention: Steven L. Dymant
Telephone No.: (212) 208-3130
Facsimile No.: (212) 208-3480

Address for notices or communications to the AFSLP Credit Enhancer:

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: General Counsel
Telephone No.: (212) 208-3482
Facsimile No.: (212) 344-5297

Address for notices or communications to Party B:

The Public Building Authority of _____
County, Tennessee
_____, TN _____
Telephone No.: (____) ____-____
Facsimile No.: (____) ____-____

with a copy to:

Mr. Joseph K. Ayres
Cumberland Securities
530 South Gay Street, Suite 800
Knoxville, TN 37902
Telephone No.: (865) 637-1131
Facsimile No.: (865) 637-0169

Address for notices or communications to Counterparty Credit Enhancer:

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: General Counsel
Telephone No.: (212) 208-3482
Facsimile No.: (212) 344-5297

(b) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.

(c) **Credit Support Document.** Details of any Credit Support Document, each of which are incorporated by reference in, and made part of, this Agreement and each Confirmation (unless provided otherwise in a Confirmation):

Party A: Financial Guaranty Insurance Policy for Swap Agreement No. SWLP__BE issued by the AFSLP Credit Enhancer (defined below), dated [DATE] (the “*AFSLP Credit Enhancement*”).

Party A: Credit Support Annex to this Schedule dated as of [DATE] between AFSLP and the Counterparty, which is attached hereto and hereby made a part of the Agreement.

Party B: Financial Guaranty Insurance Policy for Swap Agreement No. CPP__BE issued by the Counterparty Credit Enhancer (defined below), dated [DATE] (the “*Counterparty Credit Enhancement*”).

(d) **Credit Support Provider.**

Credit Support Provider means in relation to Party A, Ambac Assurance Corporation (the “*AFSLP Credit Enhancer*”) and in relation to Party B, Ambac Assurance Corporation (“*Counterparty Credit Enhancer*”).

(e) **Governing Law and Jurisdiction.** Section 11 of this Agreement is hereby amended to read in its entirety as follows:

“(i) *Governing Law.* This Agreement and each Transaction will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

(ii) *Waiver of Trial by Jury; Consent to Jurisdiction.* To the extent permitted by applicable law, each party irrevocably waives any right it may have to trial by jury. To the extent permitted by applicable law, Party B consents to the initiation of any proceedings in any federal or state court of competent jurisdiction located in the State of New York.”

(f) “Affiliate” will have the meaning specified in Section 12 of this Agreement.

**Part 4.
Other Provisions.**

(a) **Date Agreement Effective.** This Agreement is deemed to have come into effect on [DATE].

(b) **Representations.**

(i) The introductory clause of Section 3 of the Agreement is hereby amended to read in its entirety as follows: “Each party represents to the other party (which representations shall be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of Section 3(a) and 3(m) of this Agreement, at all times until the termination of this Agreement) that:”.

(ii) The representations set forth in Section 3(a)(ii), (iii), (iv) and (v) of the Agreement are hereby modified by adding the words “and, in the case of Party B, the Bond Documents” after the words “this Agreement” in each place such phrase appears in said sections.

(iii) *Additional Representations and Warranties of Party B.* Party B represents to (which representations will be deemed to be repeated by Party B on each date on which a Transaction is entered into), and agrees with, Party A as follows:

(A) At all times during the term of this Agreement, Party B will continuously include and maintain as part of its official written books and records this Agreement, this Schedule, and all other exhibits, supplements, and attachments hereto and documents incorporated by reference herein, all Confirmations, and evidence of all necessary authorizations.

(B) This Agreement, each Confirmation and any other documentation relating to this Agreement to which it is a party or that it is required to deliver will be executed and delivered by the Chairman, Vice Chairman, Secretary or Treasurer of Party B.

(C) Party B has all requisite power and authority (1) to carry on its activities and (2) to execute, deliver and perform its obligations under the Bond Documents and this Agreement.

(D) Each Bond Document has been or will be duly and validly authorized, executed and delivered or adopted, as the case may be, in accordance with the Counterparty's charter or bylaws and constitutes or will constitute a valid and legally binding obligation of the Counterparty, enforceable against the Counterparty in accordance with its terms, except as such enforcement may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and subject to general equitable principles (regardless of whether said enforceability is considered in a proceeding in equity or at law).

(E) The payment obligations of the Counterparty under this Agreement are limited obligations of the Counterparty payable solely from amounts available under the Bond Security Agreement and the Loan Agreement.

(F) The payment by or on behalf of the Counterparty of the Payment Amounts or other amounts due hereunder is authorized and permitted under the Bond Documents and the laws of the State of Tennessee and of the United States of America.

(G) There is no immunity for Party B on the grounds of sovereignty or other similar grounds from suit or remedies at law or in equity for enforcement of this Agreement.

(H) Party B is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of AFSLP or the AFSLP Credit Enhancer other than the representations expressly set forth in this Agreement, such Credit Support Document and in any Confirmation.

(I) Party B has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of this Agreement) based upon its

own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by AFSLP or the AFSLP Credit Enhancer.

(J) Party B has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement and is capable of assuming and willing to assume (financially and otherwise) those risks, including the basis risk in connection with any Transaction as a result of the fact that the interest rate on the Bonds is determined on a basis that is different from the Floating Rate Option under any Transaction.

(K) It is understood and agreed that for all purposes of this Agreement, the Bond Documents and the transactions contemplated hereby and thereby (the “*Financing Transactions*”) (a) AFSLP has acted solely as an independent contractor and (b) neither AFSLP nor the AFSLP Credit Enhancer has acted as a financial, investment or commodity trading advisor, fiduciary or agent to Party B for any purpose, it being understood that AFSLP has provided indicative swap quotations with respect to the Transactions. AFSLP has not rendered any advice or counsel to Party B, whether directly or indirectly through any other person, including, without limitation, any financial advisor to Party B or any underwriter of the Bonds, as to this Agreement, the Bond Documents or the Financing Transactions or the advisability of entering into this Agreement, the Bond Documents or the Financing Transactions.

(L) Each representation the Counterparty has made to any other party in any Bond Document or other agreement entered into in connection with the transactions contemplated by this Agreement is true and correct.

(M) This Agreement has been, and each Transaction hereunder will be, entered into by the Counterparty for the purpose of managing its borrowings by hedging interest rate risk and not for the purpose of speculation.

(N) Party B is an “eligible contract participant” within the meaning of Section 1(a)(12) of the Commodity Exchange Act (7 U.S.C. 1a), as amended by the Commodity Futures Modernization Act of 2000.”

(c) **Additional Agreements.** Section 4 of this Agreement is modified to add clauses (d) through (g) as follows:

“(d) *Certain Notices.* Party B will furnish to AFSLP the following: (1) as soon as possible and in any event within two (2) Business Days after the occurrence of each Event of Default or an event that, with the passage of time or the giving of notice or both would constitute an Event of Default under this Agreement or the Bond Documents, a statement of an officer of Party B setting forth details thereof and the action which Party B proposes to take with respect to this Agreement; (2) a copy of each notice when and as given to Bondholders, the Bond trustee or the Bond Insurer under the Bond Documents; (3) notice of any proposed amendments

or supplements to the Bond Documents prior to the effective date thereof; and (4) promptly after Party B's receipt of notification thereof, notice of any withdrawal, suspension or reduction of the ratings of Moody's of the Bonds.

(e) *Compliance with Bond Documents.* The Counterparty agrees to comply with all covenants of the Counterparty under the Bond Documents which materially affect AFSLP to the same extent as if such covenants were set forth in full herein and all such covenants are hereby incorporated herein as security for the performance of the obligations of the Counterparty hereunder.

(f) *Ratings Obligation.* At any time, upon reasonable prior notice, upon the request of AFSLP, in the event that there is no publicly available long-term rating of Specified Indebtedness of [NAME OF BORROWER] without credit enhancement, to cause S&P or Moody's to provide written evidence (satisfactory to AFSLP) of the rating of the Bonds without taking into account any credit enhancement therefor. If such ratings confirm that a Credit Event has occurred, then a Credit Event will be deemed to have occurred on the date that such ratings were requested.

(g) *Negative Covenants.* The Counterparty agrees that so long as it shall have any obligations hereunder it shall not:

(1) effect a Bond Retirement Change or an Interest Rate Conversion without first delivering to AFSLP an opinion of counsel, such counsel and the form and substance of such opinion to be reasonably satisfactory to AFSLP, to the effect that notwithstanding such event this Agreement is a legal, valid, binding and enforceable obligation of the Counterparty (including all security for payments due hereunder as provided herein or by the Bond Security Agreement), unless (X) the date on which such Bond Retirement Change or Interest Rate Conversion occurs is designated by the Counterparty in accordance with Section 6 hereof as an Early Termination Date with respect to such Bond Retirement Change or Interest Rate Conversion, or (Y) in the case of a proposed Bond Retirement Change, Schedule I to the Confirmation shall be revised in accordance with Part 5 of the Schedule to this Agreement to reflect the reductions in Calculation Amounts as provided for therein and any amounts required to be paid by the Counterparty pursuant to such Part in respect of such proposed Bond Retirement Change shall have been paid; or

(2) agree to any amendment, modification, supplement or waiver of any of the Bond Documents, or enter into any other agreement for the issuance or purchase of the Bonds, without the prior written consent of AFSLP, which consent will not be unreasonably withheld or delayed, and any such amendment, modification, supplement or waiver without the prior written consent of AFSLP shall have no force and effect with respect to this Agreement.

(d) **Early Termination.** Section 6 of this Agreement is modified as follows:

(i) Right to Terminate Following Event of Default. Section 6(a) of the Agreement is hereby amended to read in its entirety as follows:

“(a) *Right to Terminate Following Event of Default.* If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may (in the event that AFSLP is the Defaulting Party, subject to Section 6(f) of this Agreement and, in the event that the Counterparty is the Defaulting Party, subject to Section 8(n) of this Agreement), and shall, at the direction of the Counterparty Credit Enhancer (in the event that AFSLP is the Defaulting Party, subject to Section 6(f) hereof) by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in (A) Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8) and (B) if such party is AFSLP, Section 5(a)(ix).”

(ii) Additional Provisions Relating to Counterparty Designation of Termination Event. No designation of an Early Termination Date shall be made by the Counterparty pursuant to Section 6(b) where the calculation would otherwise result in a payment to AFSLP by the Counterparty unless the Counterparty shall provide evidence satisfactory to AFSLP (which may include an escrow of funds) that such payment will be made by the Counterparty (and not by the Counterparty Credit Enhancer).

(iii) Additional Termination Provisions. The following provisions are added as clauses (f) and (g) to Section 6 of this Agreement:

“(f) *Termination of all Transactions Following Event of Default or Termination Event.* Notwithstanding anything to the contrary in Section 6, (i) any notice that Party B properly delivers under Section 6(a) or 6(b)(iii) designating an Early Termination Date with respect to any Transaction (or the occurrence of an Automatic Early Termination pursuant to Section 6(a) following an Event of Default specified in Section 5(a)(vii) or 5(a)(ix) with respect to AFSLP) shall have the effect of designating such Early Termination Date as the Early Termination Date in respect of all Transactions, (ii) such notice delivered by Party B to AFSLP shall be in the form of Attachment 1 to the Swap Policy, and a copy of such notice shall also be delivered by Party B to the AFSLP Credit Enhancer, and (iii) such notice (or the occurrence of such Automatic Early Termination pursuant to Section 6(a) following an Event of Default specified in Section 5(a)(vii) or 5(a)(ix) with respect to Party A) shall have the following effect:

(i) Unless an Insurer Event of Default or an Insurer Termination Event (each as defined in the AFSLP Credit Enhancement) has occurred and is continuing on the date designated in such notice, or deemed to have been designated, as the Early Termination Date:

(A) The Early Termination Date designated in Party B's notice (or deemed to have occurred as a result of an Automatic Early Termination) shall be the Early Termination Date for this Agreement, and amounts payable in respect thereof shall be calculated as set forth in Section 6 of the Agreement; provided, however, that the AFSLP Credit Enhancer shall be entitled to make any calculations that Party B otherwise would have been entitled to make pursuant to said Section 6(e);

(B) Party B shall retain collateral, if any, pursuant to any applicable collateralization document (herein referred to as "Collateral") in satisfaction of AFSLP's obligations under this Agreement;

(C) From and after the Early Termination Date designated in such notice (or deemed to have occurred as a result of an Automatic Early Termination), Party B shall have no further rights against or obligations to AFSLP under this Agreement or any Transaction hereunder and will look solely to the AFSLP Credit Enhancer for the performance of its continuing obligations under the AFSLP Credit Enhancement, subject to the terms and conditions set forth therein;

(D) From and after such Early Termination Date, in consideration of the AFSLP Credit Enhancer's performance of its continuing obligations under the AFSLP Credit Enhancement, Party B shall perform all of the obligations, and shall pay such amounts, as would otherwise have been required from it under this Agreement and all Transactions hereunder if no Early Termination Date had occurred, to the AFSLP Credit Enhancer pursuant to the AFSLP Credit Enhancement, subject to the terms and conditions set forth therein;

(E) From and after such Early Termination Date, in consideration of the AFSLP Credit Enhancer's performance of its continuing obligations under the AFSLP Credit Enhancement, the AFSLP Credit Enhancer shall become the beneficiary of Party B's Credit Support Documents, if any, as though the AFSLP Credit Enhancer was the original beneficiary thereof; and

(F) From and after such Early Termination Date, in consideration of the AFSLP Credit Enhancer's performance of its continuing obligations under the AFSLP Credit Enhancement and the agreement of Party B in clause (D) above, (i) Party B shall transfer any Collateral retained by it pursuant to clause (B) to the AFSLP Credit Enhancer outright and not as collateral for any obligation, by sending or

causing to be sent a confirmation to the AFSLP Credit Enhancer of such transfer and to identify the AFSLP Credit Enhancer as the holder of any such Collateral in its books and records (subject to any security interest created by the AFSLP Credit Enhancement), and (ii) the AFSLP Credit Enhancer shall assume all of Party B's remaining rights and obligations under this Agreement (including the right to receive (to the extent such right has not been satisfied by Party B's retention of Collateral) or obligation to pay, as applicable, amounts under Section 6(d)(ii)).

(ii) If an Insurer Event of Default or an Insurer Termination Event has occurred and is continuing on the date designated in the termination notice delivered by Party B as provided in this clause (f), or deemed to have been designated, as the Early Termination Date, (A) Party B shall have no right to payment under the AFSLP Credit Enhancement except for payment of amounts owing but unpaid by AFSLP following the termination of all Transactions and (B) all Transactions shall terminate in accordance with the terms hereof as of the Early Termination Date specified in such notice.

(iii) Notwithstanding (i) or (ii) above, if the termination notice is in respect of a Termination Event with respect to AFSLP, and there is no Insurer Event of Default and no Insurer Termination Event on the date designated in the termination notice delivered by Party B as provided in this clause (f), or deemed to have been designated, as the Early Termination Date, AFSLP may instead transfer its rights and obligations with respect to all Transactions to any of its Affiliates without the consent of Party B pursuant to Section 7 (as modified by Part 4(f) of this Schedule).

(g) *Copies of Certain Notices.* Each of AFSLP and Party B shall deliver to the AFSLP Credit Enhancer a copy of any notice delivered by it to the other party of the occurrence of any Event of Default or Termination Event under the Agreement, and no such notice shall be deemed effective with respect to Party B unless and until it is also deemed effective with respect to the AFSLP Credit Enhancer.”

(e) **Miscellaneous.** Section 8 of this Agreement is modified by adding clauses (h), (i), (j), (k), (l), (m) and (n):

“(h) *Covenant.* Party B agrees that it will not include in any Official Statement or supplement thereto relating to the Bonds any statements or information with respect to AFSLP, the AFSLP Credit Enhancer or this Agreement to which AFSLP or the AFSLP Credit Enhancer shall reasonably object by notice to Party B after having been forwarded by Party B a draft copy of such document. Party B further agrees that it will furnish AFSLP and the AFSLP Credit Enhancer copies of any such document at or prior to the issuance or release thereof. It is understood that neither AFSLP nor the AFSLP Credit Enhancer has any responsibility for and makes no representation as to the accuracy, completeness or adequacy of any information contained in any such document.

(i) *Pledge of Swap Payment Rights and Other Property.* AFSLP has pledged its rights to receive payments under this Agreement (subject to all provisions, including, without limitation, the netting provisions hereof) and under all other swap agreements entered into or to be entered into by AFSLP (“*Other Swap Agreements*”), and has pledged or will pledge certain other property, to The Bank of New York, or its successor, as collateral trustee, for the benefit of Party B and the counterparties under Other Swap Agreements, ratably to secure AFSLP’s obligations to make payments to Party B and such counterparties under this Agreement and Other Swap Agreements following the occurrence of an Event of Default with respect to AFSLP set forth in Section 5(a)(i) (but solely as it relates to payments under Section 6(e) of this Agreement), Section 5(a)(vii) or Section 5(a)(ix) (as added by Part 1(g)(iv) of the Schedule to this Agreement) of this Agreement.

(j) *Subrogation.* To the extent that AFSLP has received payment from the Counterparty Credit Enhancer or another entity in respect of amounts that would otherwise be due from Party B under this Agreement, such entity shall be subrogated to AFSLP with respect to AFSLP’s right to receive such amounts from Party B. To the extent that Party B has received payment from the AFSLP Credit Enhancer or another entity in respect of amounts that would otherwise be due from AFSLP under this Agreement, such entity shall be subrogated to Party B with respect to Party B’s right to receive such amounts from AFSLP.

(k) *Financial Statements.* Audited annual financial statements delivered by Party A and Party B pursuant to Part 2 of the Schedule to this Agreement shall be certified by independent certified public accountants and prepared in accordance with generally accepted accounting principles on a basis consistent with prior periods, except to the extent noted therein.

(l) *Procedures for Entering into Transactions.* With respect to each Transaction entered into pursuant to this Agreement, AFSLP will, on or promptly after the Trade Date thereof, send Party B a Confirmation confirming such Transaction. Party B will promptly thereafter confirm the accuracy of or request the correction of such Confirmation (in the latter case, indicating how it believes the terms of such confirmation should be correctly stated and such other terms which should be added to or deleted from such Confirmation to make it correct).

(m) *AFSLP Credit Enhancer and Counterparty Credit Enhancer as a Party in Interest and Third-Party Beneficiary.* The parties hereto acknowledge and agree that (a) the AFSLP Credit Enhancer is a party in interest and third-party beneficiary under this Agreement entitled to enforce its rights as so stated herein and as subrogee of AFSLP as if it were a party hereto and (b) the AFSLP Credit Enhancer’s obligations with respect to this Agreement are limited to the provisions of the AFSLP Credit Enhancement, except as otherwise set forth in this Agreement. Each covenant and representation of the Counterparty in this Agreement is made for the benefit of the AFSLP Credit Enhancer. The parties hereto further acknowledge and agree that (a) the Counterparty Credit Enhancer is

a party in interest and third-party beneficiary under this Agreement entitled to enforce its rights as so stated herein and as subrogee of the Counterparty as if it were a party hereto and (b) the Counterparty Credit Enhancer's obligations with respect to this Agreement are limited to the provisions of the Counterparty Credit Enhancement, except as otherwise set forth in this Agreement. Each covenant and representation of AFSLP in this Agreement is made for the benefit of the Counterparty Credit Enhancer.

(n) *Counterparty Credit Enhancer Provisions.* Notwithstanding anything to the contrary set forth in this Agreement, until such time as (A) the Counterparty Credit Enhancement is not in effect, (B) there shall have occurred and be continuing the event described in Section 5(a)(vii) of the Agreement with respect to the Counterparty Credit Enhancer, (C) there shall have occurred and be continuing a default under the Counterparty Credit Enhancement or (D) the rating of the claims-paying ability of the Counterparty Credit Enhancer shall have been withdrawn, suspended or reduced below "A-" in the case of S&P, or withdrawn, suspended or reduced below "A3" in the case of Moody's, AFSLP shall not, unless consented to by the Counterparty Credit Enhancer in writing: (1) suspend payments under Section 2 of the Agreement (if permitted thereunder); or (2) exercise remedies pursuant to the Agreement including designation of an Early Termination Date. If at any time there shall occur an event or circumstance referred to in the foregoing clause (A), (B), (C) or (D), AFSLP may designate an Early Termination Date without the consent of the Counterparty Credit Enhancer if AFSLP is otherwise entitled to do so; *provided, however,* that AFSLP acknowledges that only terminations directed by or consented to by the Counterparty Credit Enhancer are covered under the Counterparty Credit Enhancement.

The Counterparty agrees to reimburse the Counterparty Credit Enhancer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses incurred by the Counterparty Credit Enhancer in connection with the enforcement by the Counterparty Credit Enhancer of the Counterparty's obligations under this Agreement and any other documents executed in connection with this Agreement.

The Counterparty agrees that all amounts owing to the Counterparty Credit Enhancer under this Agreement or the Counterparty Credit Enhancement must be paid in full prior to any optional redemption or refunding of the Bonds unless the Counterparty Credit Enhancer gives directions to the contrary.

(f) **Transfer Provisions.** Section 7 of this Agreement is amended to insert the following at the end of said Section:

“; provided, however, that AFSLP may transfer or assign any of its rights, interests and obligations hereunder to any Affiliate or subsidiary of AFSLP or of the AFSLP Credit Enhancer, provided that the assignee or transferee of obligations of AFSLP shall assume all such obligations of AFSLP hereunder so assigned or transferred and that prior to such

assignment or transfer, the AFSLP Credit Enhancer shall confirm in writing to AFSLP and Party B that the AFSLP Credit Support Document shall remain in full force and effect after such assignment or transfer; and provided, further, that upon such assignment or transfer, the assignee or transferee would not be in default under any covenants, representations or obligations of AFSLP hereunder.”

(g) **Additional Definitions.** The definitions and provisions contained in the 1992 ISDA Municipal Counterparty Definitions (as published by the International Swap Dealers Association, Inc.) (the “*1992 ISDA Municipal Counterparty Definitions*”) are incorporated into this Schedule. In the event of any inconsistency between these definitions and provisions and this Schedule, this Schedule will govern. Section 12 of this Agreement is modified by inserting therein the following definitions:

“*Act*” means Chapter 10 of Title 12, Tennessee Code Annotated, as amended.

“*AFSLP Credit Enhancement*” has the meaning set forth in Part 3(c) of the Schedule to the Agreement.

“*AFSLP Credit Enhancer*” has the meaning set forth in Part 3(d) of the Schedule to the Agreement.

“*Bond Counsel*” means any firm of nationally recognized bond counsel acceptable to the Counterparty and AFSLP or such other parties as may be provided for.

“*Bond Documents*” means the Bond Security Agreement, the Loan Agreement, the Standby Agreement and the Remarketing Agreement.

“*Bond Insurer*” means Ambac Assurance Corporation.

“*Bond Retirement Change*” means any change in the outstanding principal amount of the Bonds which causes such principal amount of the Bonds on any date not to equal the Calculation Amount for such date. No Bond Retirement Change shall be deemed to occur if following a notice thereof Schedule I to the Confirmation shall be revised in accordance with Part 5 of the Schedule to reflect the reduction in Calculation Amounts as provided for therein.

“*Bond Security Agreement*”, with respect to any Transaction, has the meaning set forth in the Confirmation for such Transaction.

“*Bonds*”, with respect to any Transaction, has the meaning set forth in the Confirmation for such Transaction.

“*Business Day*” shall have the meaning specified in the Bond Security Agreement.

“*Calculation Amount*” means, with respect to any date and any maturity of Bonds, the notional amount for such date, determined by reference to Schedule I to the Confirmation to the relevant Transaction as it may be revised from time to time hereunder, and with respect to any Calculation Period or portion thereof, an amount equal to the sum of the Calculation Amounts applicable to each date and maturity of Bonds during such Calculation Period or portion thereof

divided by the number of calendar days occurring during such Calculation Period or portion thereof.

“**Counterparty Credit Enhancement**” has the meaning set forth in Part 3(c) of the Schedule to the Agreement.

“**Counterparty Credit Enhancer**” has the meaning set forth in Part 3(d) of the Schedule to the Agreement.

“**Credit Event**” means that with respect to the long-term rating of S&P or Moody’s of any Specified Indebtedness of [NAME OF BORROWER] without credit enhancement, either (a) such rating of S&P is withdrawn or suspended, or reduced below “BBB-” (or the then current equivalent thereof), or (b) such rating of Moody’s is withdrawn or suspended, or reduced below “Baa3” (or the then current equivalent thereof); provided, however, that for this purpose Specified Indebtedness of such [CITY/COUNTY/TOWN] means only any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) of such [CITY/COUNTY/TOWN] (i) in respect of borrowed money or (ii) under an installment sales contract or lease purchase arrangement that secures indebtedness of another party where, in the case of (i) and (ii), such obligation is a general obligation of such [CITY/COUNTY/TOWN].

“**Default Rate**” means USD-LIBOR-BBA plus 1%.

“**Loan Agreement**”, with respect to any Transaction, has the meaning set forth in the Confirmation for such Transaction.

“**Market-Related Amount**” on any day means the Market Quotation relating to payment upon early termination determined by AFSLP in a commercially reasonable manner at any time during such day (i) as though a Termination Event had occurred and such day were an Early Termination Date and AFSLP were the Affected Party and (ii) with the requirement for four Reference Market-makers deemed to be met by having AFSLP make a quotation as if AFSLP were the sole Reference Market-maker with respect thereto. If the Counterparty or the Counterparty Credit Enhancer finds unreasonable any quotation that AFSLP makes pursuant to this definition as if it were the sole Reference Market-maker, then the requirement for four Reference Market-makers shall be carried out as provided in the definition of Market Quotation.

“**Moody’s**” means Moody’s Investors Service Inc. and any successor nationally-recognized rating agency.

“**Official Statement**” means the Official Statement of the Counterparty relating to the Bonds.

“**Remarketing Agent**” means the entity acting in the capacity of remarketing agent under the Bond Security Agreement, initially, Morgan Keegan & Company, Inc.

“**Remarketing Agreement**” means the agreement under which the Remarketing Agent agrees to perform the duties of the Remarketing Agent under the Bond Security Agreement.

“**S&P**” means Standard & Poor’s Ratings Services, a division of McGraw-Hill, Inc., and any successor nationally-recognized rating agency.

“**Standby Agreement**” means the standby bond purchase agreement, letter of credit (and related reimbursement agreement), line of credit or similar liquidity facility delivered in accordance with the terms of the Bond Security Agreement as a source of funding for payment of the purchase price of the Bonds tendered or deemed tendered in accordance with the provisions of the Bond Security Agreement as the same may be amended in accordance with the terms hereof and thereof.

“**Standby Purchaser**” means the entity or entities, under and in accordance with the Bond Security Agreement, which provide liquidity support for the payment of the tender price of the Bonds through the issuance of a Standby Agreement.

“**Termination Option**” has the meaning set forth in Part 1(g) of the Schedule to the Agreement.

“**Trustee**” means the trustee designated under the Bond Security Agreement.

Part 5.
Provisions Relating to a Bond Retirement Change.

(a) Party B agrees that so long as it shall have any obligations hereunder it shall not put into effect a Bond Retirement Change without first delivering to AFSLP an opinion of nationally recognized Bond Counsel, such counsel and the form and substance of such opinion to be reasonably satisfactory to AFSLP, to the effect that notwithstanding such event this Agreement is a legal, valid, binding and enforceable obligation of Party B, unless (i) the date on which such Bond Retirement Change occurs is designated by Party B in accordance with Section 6 hereof as an Early Termination Date with respect to such Bond Retirement Change, (ii) the applicable Confirmation shall have been revised in accordance with this Part 5 to reflect the reductions in notional amounts as provided for in this Part 5 or (iii) AFSLP shall have waived in writing the delivery of such opinion. Party B agrees to give notice to AFSLP and the AFSLP Credit Enhancer of any proposed Bond Retirement Change no less than fifteen (15) Business Days prior to the occurrence thereof but in no event later than notice thereof is given to Bondholders. Such notice shall state which of the above actions Party B has determined to take.

(b) In the event that Party B determines to reduce the Calculation Amounts to reflect (i) in the case of a Bond Retirement Change referred to in clause (a) of the definition thereof in Section 12 of this Agreement (as added by Part 4(h) of this Schedule), the retirement of Bonds which would result from such Bond Retirement Change, or (ii) in the case of a Bond Retirement Change referred to in clause (b) of such definition, the prospective non-issuance of Bonds which would result from such Bond Retirement Change, the notice required by Part 5(a) shall further set forth the reduction in the Calculation Amounts set forth in Schedule I to the Confirmation so that on any date the Calculation Amount for such date shall equal the principal amount of Bonds outstanding on such date after giving effect to such Bond retirement or non-issuance of Bonds. AFSLP agrees to provide on a date no later than five (5) Business Days after receipt of such notice from Party B written notice to Party B of the Market-Related Amount for such date

determined as though the Calculation Amounts in Schedule I to the Confirmation for the relevant Transaction were equal to the amounts of the reductions in Calculation Amounts as set forth pursuant to the aforesaid notice from Party B and Party B were the Affected Party. If such Market-Related Amount is a positive number, AFSLP will pay such amount on the date of such Bond retirement to Party B; if the Market-Related Amount is a negative number, Party B will pay the absolute value of such amount on the date of such Bond Retirement Change to AFSLP. Notwithstanding the foregoing, the election by Party B to reduce the Calculation Amounts shall not be effective if such calculation of the Market-Related Amount results in a payment to AFSLP unless Party B provides evidence reasonably satisfactory to AFSLP (which may include an escrow of funds) that such payment will be made by Party B. The amount paid pursuant to this clause (b) shall be adjusted by adding or subtracting, as the case may be, the net Unpaid Amounts owing from one party to another with respect to the reduced portion of the Calculation Amounts, calculated in the same manner as Unpaid Amounts are calculated in respect of Terminated Transactions, but using the date of the Bond Retirement Change in lieu of the “Early Termination Date” for the date as of which the calculation of Unpaid Amounts is to be made.

(c) Upon payment being made as provided in (b) above, Party B shall be entitled to cause the relevant Bond Retirement Change and simultaneously therewith Schedule I to the Confirmation shall be revised to reflect the reduction in Calculation Amounts as set forth pursuant to clause (b) above. The obligations of the parties to make any further payments under Section 2 in respect of that portion of payment amounts that, but for such reduction in Calculation Amounts, would have been payable under Section 2 will terminate, but without prejudice to the other provisions of this Agreement. The occurrence of the notice of the Bond Retirement Change and the election by Party B to reduce the Calculation Amounts shall not affect the continuing effectiveness of this Agreement as to the Calculation Amounts as revised.

(d) The Counterparty agrees that all amounts owing to the Counterparty Credit Enhancer under this Agreement or the Counterparty Credit Enhancement must be paid in full prior to any optional redemption or refunding of the Bonds unless the Counterparty Credit Enhancer gives directions to the contrary.

Part 6.

Obligations of the Counterparty Hereunder; Pledge Under the Bond Security Agreement and Hereunder

(a) **Special Obligations.** Notwithstanding any provision of this Agreement to the contrary, the obligations of Party B under this Agreement shall be special obligations of Party B payable solely from the Loan Agreement. Neither the general credit of Party B nor the credit or taxing power of the State of Tennessee is pledged for the payment of the obligations of Party B under this Agreement and such obligations shall not be or be deemed to be an obligation of the State of Tennessee.

(b) **Security Under Bond Security Agreement.** This Agreement constitutes a “Swap Agreement”, and AFSLP constitutes a “Swap Counterparty”, for all purposes of the Bond Security Agreement and the Loan Agreement. Accordingly, the obligations of the Counterparty hereunder, other than for Termination Payments (as defined in the Bond Security Agreement), are

secured under the Bond Security Agreement on a parity with the Bonds by the pledge of the Trust Estate, to the extent and in the manner set forth in the Bond Security Agreement.

(c) **Security for Termination Payment.** In order to secure the payment of Termination Payments, the Counterparty, in consideration of the agreements of AFSLP contained herein and in consideration of the premises, does hereby grant to AFSLP a lien on and security interest in the portion of the Additional Payments (as defined in the Bond Security Agreement) received from [NAME OF BORROWER] to provide for the payment of Termination Payments.

(d) **No Discharge.** In the event that all of the Bonds shall be discharged prior to full performance by the Counterparty of its obligations under this Agreement, the Counterparty acknowledges that the irrevocable lien on the Trust Estate for payments hereunder shall not be discharged but will continue and remain in full force and effect until full performance of such obligations by the Counterparty.

IN WITNESS WHEREOF, the parties have executed this document as of the date specified on the first page of this document.

AMBAC FINANCIAL SERVICES, L.P.

By: _____
Name:
Title:

By: _____
Name:
Title:

**THE PUBLIC BUILDING AUTHORITY OF
_____ COUNTY, TENNESSEE**

By: _____
Name:
Title:

By: _____
Name:
Title:

FORM OF OPINION OF COUNSEL TO PARTY A

[DATE]

The Public Building Authority of
_____ County, Tennessee

_____, TN _____

Re: Master Agreement and Confirmation between The Public Building Authority of
_____ County, Tennessee and Ambac Financial Services, Limited Partnership

Ladies and Gentlemen:

We have acted as counsel to Ambac Financial Services, L.P., a Delaware limited partnership (“*AFSLP*”), in connection with the execution and delivery by AFSLP of each agreement listed on Schedule A hereto (each an “*Agreement*” and, collectively, the “*Agreements*”), including in each case a Master Agreement, a Schedule and one or more Confirmations. Capitalized terms used but not otherwise defined herein have the meanings assigned thereto in the Agreements.

In rendering this opinion, we have examined executed originals or copies of the Agreements and such records, documents, instruments, certificates of public officials, of AFSLP and of AMBAC Financial Services Holdings, Inc. (“*Holdings*”), the corporate general partner of AFSLP, and such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures and the authenticity of all items submitted to us as originals and the conformity to originals of all items submitted to us as certified copies and the authenticity of the originals of such copies. As to certain matters of fact relevant to the opinions hereinafter expressed, we have relied upon certifications, statements, representations, and warranties of AFSLP, Holdings, Party B and their respective representatives, including statements, representations and warranties contained in the Agreements, and we have assumed and have not independently verified that all such certifications, statements, representations and warranties are true, accurate and complete. We have assumed that Party B has the legal capacity, power and authority to execute, deliver and perform its obligations under the Agreements and that the Agreements constitute the legal, valid and binding agreement of Party B and are enforceable against Party B in accordance with the terms thereof.

The opinions expressed herein are limited to the laws of the State of New York, the Revised Uniform Limited Partnership Act of the State of Delaware and the Federal laws of the United States of America.

Based upon the foregoing and having regard to such legal considerations as we have deemed relevant, we are of the opinion, subject to the qualifications expressed herein, that:

(1) AFSLP is a limited partnership validly existing and in good standing under the law of the State of Delaware.

(2) AFSLP has the partnership power and authority to execute and deliver the Agreements and to perform its obligations thereunder and has taken all necessary action to authorize such execution and delivery and the performance of those obligations.

(3) The execution and delivery by AFSLP of the Agreements and its performance of its obligations thereunder do not violate or conflict with its Certificate of Limited Partnership, as amended to date, or its Agreement of Limited Partnership, as amended to date, or any law, regulation, rule, decree, order or judgment binding or affecting it or its property.

(4) No approval, consent or authorization of any governmental or public agency or authority or any other institution not already obtained is required for the execution by AFSLP of, or performance of AFSLP's obligations under, the Agreements.

(5) Each Agreement has been duly authorized, executed and delivered by AFSLP and constitute the legal, valid and binding obligations of AFSLP enforceable in accordance with the terms of such Agreement.

The opinions expressed herein are subject to the following qualifications:

(A) The enforceability of each Agreement and the rights and remedies thereunder are subject to and may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws from time to time in effect relating to or affecting generally the enforcement of creditors' rights and (ii) general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding at law or in equity).

(B) The opinion expressed in paragraph 1 above is based solely upon a certificate of the Secretary of State of the State of Delaware.

(C) The opinion expressed in paragraph 5 above is subject to the qualification that we express no opinion regarding the enforceability of Section 6(e) of each Agreement insofar as it purports to obligate a party, on termination of the Agreements, to pay an amount in excess of that measured by the lowest quotation from a Reference Market-maker. In addition, in connection with any such early termination on the grounds of default, a court might limit the non-defaulting party's recovery to its actual damages in the circumstances, imposing its own settlement procedures in lieu of the provisions of Section 6(e) of each Agreement.

(D) We express no opinion herein as to whether a court or other authority or body located outside of the State of New York would enforce the governing law provision of, or honor, the Agreements.

(E) We have rendered the opinions expressed herein based on facts and circumstances existing, and applicable laws, rules, regulations, court decisions and regulatory authority determinations in effect, on the date hereof. We disclaim any obligation to update or supplement this opinion letter for events occurring or coming to our attention after the date hereof.

We are furnishing this letter to the addressees solely for their benefit, and no other person is entitled to rely hereon. Without the prior written consent of the undersigned, this letter may not be used, circulated, quoted, or otherwise referred to for any other purpose not disclosed or delivered to, or relied upon by, anyone other than the addressees.

Very truly yours,

SCHEDULE A

Agreements Between Ambac Financial Services, L.P. and
The Public Building Authority of _____ County, Tennessee

FORM OF OPINION OF COUNSEL TO PARTY B

[DATE]

Ambac Financial Services, L.P.
One State Street Plaza
New York, NY 10004

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004

Re: Master Agreements and Confirmations between The Public Building Authority of _____ County, Tennessee and Ambac Financial Services, L.P.

Ladies and Gentlemen:

We have acted as counsel to The Public Building Authority of _____ County, Tennessee (“Party B”) in connection with the execution and delivery by Party B of (a) those certain ISDA Master Agreements listed on the attached Schedule, each dated as of [DATE] between Ambac Financial Services, L.P., a Delaware limited partnership (“Party A”) and Party B, including the Schedule attached thereto (each a “Master Agreement”), and (b) those certain Confirmations under each Master Agreement, each dated [DATE], relating to an interest rate swap transaction (each Confirmation and the Master Agreement to which such Confirmation relates are collectively referred to herein as an “Agreement”). Capitalized terms used but not otherwise defined herein have the meanings assigned thereto in the Agreement.

In rendering this opinion, we have examined an executed original or copy of each Agreement and such records, documents, instruments, certificates of public officials, of Party B, and such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures and the authenticity of all items submitted to us as originals and the conformity to originals of all items submitted to us as certified copies and the authenticity of the originals of such copies. As to certain matters of fact relevant to the opinions hereinafter expressed, we have relied upon certifications, statements, representations, and warranties of Party B, Party A and their respective representatives, including statements, representations and warranties contained in each Agreement, and we have assumed and have not independently verified that all such certifications, statements, representations and warranties are true, accurate and complete. We have assumed that Party A has the legal capacity, power and authority to execute, deliver and perform its obligations under each Agreement and that each Agreement constitutes the legal, valid and binding agreement of Party A and is enforceable against Party A in accordance with the terms thereof.

We have also examined the reports of the Comptroller of the State of Tennessee rendered pursuant to Chapter 10 of Title 12 of Tennessee Code Annotated finding that each Agreement is in compliance with the guidelines of the State Funding Board.

The opinions expressed herein are limited to the laws of the State of Tennessee and the Federal laws of the United States of America. We have assumed for purposes of this opinion that the laws of the State of New York, which purports to govern each Agreement, is the same as the law of the State of Tennessee.

Based upon the foregoing and having regard to such legal considerations as we have deemed relevant, we are of the opinion, subject to the qualifications expressed herein, that:

(1) Party B is a public corporation validly existing and in good standing under the law of the State of Tennessee.

(2) Party B has the power and authority to execute and deliver each Agreement and each Bond Document to which it is a party and to perform its obligations thereunder and has taken all necessary action to authorize such execution and delivery and the performance of those obligations.

(3) The execution and delivery by Party B of each Agreement and each Bond Document to which it is a party and its performance of its obligations thereunder do not violate or conflict with its organization document, as amended to date, or any law, regulation, rule, decree, order, judgment or contractual restriction binding on or affecting it or its property.

(4) No approval, consent or authorization of any governmental or public agency or authority or any other institution not already obtained is required for the execution by Party B of, or performance of Party B's obligations under, each Agreement or any Bond Document.

(5) Each Agreement and each Bond Document to which it is a party has been duly authorized, executed and delivered by Party B and constitutes the legal, valid and binding obligation of Party B enforceable in accordance with the terms of such Agreement.

(6) There is not pending or, to our knowledge, threatened against Party B any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against of any Agreement to which it is party or its ability to perform its obligations under any Agreement.

The opinions expressed herein are subject to the following qualifications:

(A) The enforceability of each Agreement and each Bond Document to which Party B is a party and the rights and remedies thereunder are subject to and may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws from time to time in effect relating to or affecting generally the enforcement of creditors' rights and (ii) general principles of equity, including without limitation concepts of

materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding at law or in equity).

(B) The opinion expressed in paragraph 1 above is based solely upon a certificate of the Secretary of State of the State of Tennessee.

(C) The opinion expressed in paragraph (5) above is subject to the qualification that we express no opinion regarding the enforceability of Section 6(e) of each Agreement insofar as it purports to obligate a party, on termination of such Agreement, to pay an amount in excess of that measured by the lowest quotation from a Reference Market-maker. In addition, in connection with any such early termination on the grounds of default, a court might limit the non-defaulting party's recovery to its actual damages in the circumstances, imposing its own settlement procedures in lieu of the provisions of Section 6(e) of each Agreement.

(D) We have rendered the opinions expressed herein based on facts and circumstances existing, and applicable laws, rules, regulations, court decisions and regulatory authority determinations in effect, on the date hereof. We disclaim any obligation to update or supplement this opinion letter for events occurring or coming to our attention after the date hereof.

We are furnishing this letter to the addressees solely for their benefit, and no other person is entitled to rely hereon. Without the prior written consent of the undersigned, this letter may not be used, circulated, quoted, or otherwise referred to for any other purpose not disclosed or delivered to, or relied upon by, anyone other than the addressees.

Very truly yours,

SCHEDULE

**FINANCIAL GUARANTY INSURANCE POLICY
FOR SWAP AGREEMENT
(Counterparty Payment Policy)**

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
(212) 668-0340

Policy No. CPP0[___]BE

Effective Date: CPP0[___]BE

Ambac Assurance Corporation (“**Ambac**”), in consideration of the payment of the premium and subject to the terms of the this Policy, hereby unconditionally and irrevocably guarantees the full and complete payments of amounts which are “Due for Payment” (as defined below) by or on behalf of The Public Building Authority of _____, Tennessee, or its successors or permitted assigns (the “**Counterparty**”) to Ambac Financial Services, LLC (“**AFS**” or the “**Beneficiary**”), under the ISDA Master Agreement dated as of CPP0[___]BE, including the Schedule thereto, and all Transactions (as defined therein) thereunder, which shall include only transactions in which the obligations of the Counterparty are payable from amounts paid by _____, Tennessee (collectively, and as amended from time to time, the “**Agreement**”), by and between the Counterparty and AFS, as such payments are Due for Payment (as defined below) but shall not be so paid in accordance with the terms of the Agreement, for which the grace period set forth in the Agreement has expired, and for which a Demand for Payment in the form attached hereto as Attachment 1 (the “**Demand for Payment**”) has been presented to Ambac in accordance with the terms of this Policy provided that unless the Option (as defined below) is exercised by Ambac or unless the Counterparty designates an Early Termination Date (as defined and under the Agreement), the amount available hereunder for payment pursuant to any one Demand for Payment shall not exceed the amount that is Due for Payment (the “**Policy Coverage**”); provided further that the Policy Coverage shall never exceed the amount that is Due for Payment, unless such Demand for Payment is made with respect to an amount that is due from the Counterparty as a result of the designation of an Early Termination Date. As used herein, the term “Due for Payment” refers to the amounts that are required to be paid by the Counterparty on each regularly scheduled Payment Date stated in the Agreement, as the same may be reduced from time to time in accordance with the terms of the Agreement. If a Demand for Payment is made under this Policy, Ambac will continue to make regularly scheduled payments under the Agreement unless Ambac elects, at its sole option, to direct the Beneficiary to designate an Early Termination Date on a specified future date (which election can be made at the time the initial Demand for Payment has been made or at any time thereafter) or unless the Counterparty designates an Early Termination Date. If Ambac so directs the Beneficiary to designate an Early Termination Date (the “**Option**”), Ambac will pay to the Beneficiary the amount, if any, due from the Counterparty as a result of the designation of such Early Termination Date, following the receipt of a Demand for Payment with respect to any such amount owed.

1. Upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac of a Demand for Payment, duly executed by the Beneficiary; or (ii) the date prescribed for payment of such amount under the terms of the Agreement as specified in the Demand for Payment presented by the Beneficiary to the General Counsel of Ambac, Ambac will make a deposit of funds in an account with the Beneficiary in New York, New York, sufficient for the payment to the Beneficiary, of amounts which are then due to the Beneficiary (as specified in the Demand for Payment) but in no case in excess of the Policy Coverage unless such Demand for Payment is for an amount due from the Counterparty as a result of the designation of an Early Termination Date by the Beneficiary at the direction of Ambac or by the Counterparty. Such payment shall be made by Ambac only upon receipt by Ambac of an instrument of assignment, in form and substance satisfactory to Ambac, duly executed by the Beneficiary, transferring to Ambac all rights under the Agreement to receive amounts due from the Counterparty under the Agreement and in respect of which a Demand for Payment was made. Ambac shall be subrogated to all of the Beneficiary's rights to payment under the Agreement to the extent of any Policy payments made.

2. Demand for Payment hereunder may be made by telecopy or prepaid telex or telegram of the executed Demand for Payment c/o the General Counsel of Ambac. If a Demand for Payment made hereunder does not, in any instance, conform to the terms and conditions of this Policy, Ambac shall give notice to the Beneficiary, as promptly as reasonably practicable, that such Demand for Payment was not effected in accordance with the terms and conditions of this Policy, and briefly stating the reason(s) therefor. Upon being notified that such Demand for Payment was not effected in accordance with this Policy, the Beneficiary may attempt to correct any such nonconforming Demand for Payment if, and to the extent that, the Beneficiary is entitled and able to do so.

3. The amount payable by Ambac under this Policy on any Payment Date or the date prescribed for payment of such amount under the terms of the Agreement pursuant to a particular Demand for Payment shall be limited to the Policy Coverage unless such Demand for Payment is with respect to an amount due from the Counterparty as a result of the designation of an Early Termination Date by the Beneficiary at the direction of Ambac or by the Counterparty. The Policy Coverage shall be reduced automatically to the extent of each payment made by Ambac hereunder in respect of an amount that is Due for Payment. Upon payment in full by Ambac to the Beneficiary of the amount, if any, due from the Counterparty in respect of the exercise by Ambac of its Option, Ambac shall have no further obligation under this Policy.

4. Any service of process on Ambac may be made to Ambac or the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, General Counsel will act as agent for the acceptance of service of process and its offices are located at One State Street Plaza, New York, New York 10004.

5. This Policy is noncancelable for any reason. The term of this Policy shall expire on the earliest date on which both (i) the Agreement and all transactions governed by the Agreement are terminated pursuant to its terms, and (ii) all amounts, if any, due and owing by the Counterparty under the Agreement shall have been paid in full. The premium on this Policy is not refundable for any reason, including early termination of the Agreement by either Ambac,

the Counterparty or the Beneficiary. There shall be no acceleration payment due under the Policy unless such acceleration is at the sole option of Ambac.

6. This Policy shall be governed by and interpreted under the laws of the State of New York, and any suit hereunder in connection with any amount due hereunder may be brought only by the Beneficiary and only within the time limit prescribed by any applicable statute of limitations. The insurance provided by this Policy is not covered by the New York Property/Casualty Insurance Security Fund (New York Insurance Code, Article 76).

IN WITNESS WHEREOF, Ambac has caused this Policy to be executed and attested on its behalf this day of , 200 .

AMBAC ASSURANCE CORPORATION

Attest: _____
Title:

By: _____
Title:

Attachment 1

Financial Guaranty Insurance Policy No. CPP0[___]BE

DEMAND FOR PAYMENT

[Date]

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Reference is made to the Policy No. CPP0[___]BE (the "**Policy**") issued by Ambac Assurance Corporation ("**Ambac**"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

The Beneficiary hereby certifies that:

(a) Payment by the Counterparty to the Beneficiary is due on _____, in an amount equal to \$_____ (the "**Amount Due**").

(b) \$_____ has been paid (or provision for such payment has been made) to the Beneficiary by the Counterparty under the Agreement, which amount is \$_____ less than the Amount Due (the "**Deficiency**").

(c) The Beneficiary has not heretofore made demand under the Policy for the Amount Due or any portion thereof and the Deficiency is not in excess of the Policy Coverage.

The Beneficiary hereby requests that payment of the Deficiency be made by Ambac under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy:

_____ [The Beneficiary's Account]

or, in the case of an Early Termination Date:

(a) Payment to the Beneficiary of the Settlement Amount and the Unpaid Amounts (as each such term is defined in the Agreement) is due on _____, in respect of an Early Termination Date so designated [by the Beneficiary at the direction of Ambac pursuant to its exercise of the Option under the Policy] [by the Counterparty].

(b) The Beneficiary has not heretofore made demand under the Policy for the Settlement Amount or the Unpaid Amounts.

The Beneficiary hereby request that payment of the Settlement Amount and the Unpaid Amounts be made by Ambac under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy:

_____ The Beneficiary's Account

Ambac Financial Services, LLC

By: _____

Its: _____

**FINANCIAL GUARANTY INSURANCE POLICY
FOR SWAP AGREEMENT**

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
(212) 668-0340

Policy No. SWLPO[___]BE

Effective Date: _____, 200

Ambac Assurance Corporation (“**Ambac**”) hereby unconditionally and irrevocably guarantees the full and complete payment of amounts Due for Payment (defined below) by Ambac Financial Services, LLC (“**AFS**”), to The Public Building Authority of _____, Tennessee, or its successors or permitted assigns (“**Counterparty**”), pursuant to the ISDA Master Agreement, dated as of the Effective Date, by and between AFS and Counterparty including the Schedule and any ISDA Credit Support Annex thereto and all Transactions (as defined therein) thereunder (collectively, and as amended from time to time, the “**Agreement**”), in consideration of the payment of the premium by AFS, subject to the terms of this policy (“**Policy**”) and following the delivery, in accordance with the Agreement, by Counterparty to AFS and Ambac of a swap notice in the form attached hereto as Attachment 1 (a “**Swap Notice**”) or the delivery, in accordance herewith, by either Ambac or Counterparty of a notice, in the form attached hereto as Attachment 2 (an “**Early Payment Notice**”), as the case may be. Capitalized terms used herein and not otherwise defined have the meanings assigned thereto in the Agreement.

As used herein, amounts “**Due for Payment**” refers to (a) if an Ambac-Triggered Event (defined below) has occurred and is continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac, the amount due by AFS to Counterparty either (i) as a result of the early termination of the Agreement or (ii) on the final Scheduled Payment Date under the Agreement, as the case may be, and (b) if an Ambac-Triggered Event is not continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac, (i) amounts required to be paid by Ambac to Counterparty by reference to the Post-Novation Reference Agreement (defined below) prior to an Early Payment Date (defined below) and (ii) if an Early Payment Date occurs, the amount required to be paid by Ambac as if there had been an Early Termination Date under the Post-Novation Reference Agreement on the same date as such Early Payment Date.

An “**Ambac-Triggered Event**” means an Event of Default or Termination Event with respect to which AFS is the Defaulting Party or an Affected Party under the Agreement where such Event of Default or Termination Event arises solely by reason of an event or condition that is directly attributable to AFS’s Credit Support Provider.

“**Post-Novation Reference Agreement**” shall mean the Agreement as it would have operated if Ambac (instead of AFS) had been a party to the Agreement (including, without limitation, any ISDA Credit Support Annex) but without regard to (i) any obligations of AFS contained in any provisions in the Schedule to the Agreement that, by their terms, are only

applicable prior to the Novation of the Agreement or that are unique by their nature to AFS or (ii) references in the Agreement to Party A's Credit Support Provider.

1. Ambac will make a deposit of funds in an account with Counterparty in New York, New York, sufficient for the payment to Counterparty, of amounts Due for Payment hereunder on the day that is the later of (x) the date on which such amount is due under the Agreement or, if there is a Novation of the Agreement, by reference to the Post-Novation Reference Agreement and (y) one (1) business day following receipt by Ambac of a Swap Notice or Early Payment Notice, as the case may be.

2. A Swap Notice may be delivered by telecopy of the executed Swap Notice to the attention of the General Counsel of Ambac. If a Swap Notice delivered hereunder does not, in any instance, conform to the terms and conditions of this Policy, Ambac shall give notice to Counterparty, as promptly as reasonably practicable, that such Swap Notice was not effected in accordance with the terms and conditions of this Policy and briefly stating the reason(s) therefor. Upon being notified that such Swap Notice was not effected in accordance with this Policy, Counterparty may promptly attempt to correct any such nonconforming Swap Notice, if, and to the extent that, Counterparty is entitled and able to do so.

3. If no Ambac-Triggered Event is continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac in accordance herewith, then, in consideration of the agreements and assignment by Counterparty in the Agreement, Ambac (a) hereby assumes (as of the date of such Swap Notice) all of Counterparty's remaining obligations under the Agreement with respect to AFS and (b) thereafter, without duplication of the obligation to pay amounts Due for Payment hereunder, shall perform for the benefit of Counterparty by reference to the Post-Novation Reference Agreement. In order to secure Ambac's obligations hereunder subsequent to the Novation of the Agreement, Ambac hereby grants to Counterparty a security interest in all collateral held by Counterparty pursuant to the Agreement, and in any and all proceeds of and distributions thereon, subject to the provisions set forth in the Post-Novation Reference Agreement.

4. Subsequent to the Novation of the Agreement:

(a) Counterparty shall be entitled to designate an Early Payment Date hereunder by delivering to Ambac an Early Payment Notice (i) upon the occurrence of any event that, by reference to the Post-Novation Reference Agreement, permits Counterparty to designate an Early Termination Date or (ii) for failure by Ambac to pay any amount Due for Payment hereunder; and

(b) Ambac shall be entitled to designate an Early Payment Date hereunder by delivering to Counterparty an Early Payment Notice upon the occurrence of any event that, by reference to the Post-Novation Reference Agreement, permits Ambac to designate an Early Termination Date.

An "**Early Payment Date**" shall mean (i) a date designated in an Early Payment Notice delivered hereunder that, by reference to the Post-Novation Reference Agreement, Counterparty or Ambac is entitled to designate as an Early Termination Date and (ii) the

Early Termination Date set forth in the Post-Novation Reference Agreement as the result of an “Automatic Early Termination” as described therein.

An Early Payment Notice shall be delivered in accordance with the terms set forth in the Post-Novation Reference Agreement.

5. Ambac shall promptly notify Counterparty if, upon Counterparty’s delivery of a Swap Notice, an Ambac-Triggered Event has occurred and is continuing.

6. Subsequent to the Novation of the Agreement, Ambac may, without the consent of Counterparty, unilaterally cause Counterparty to be a party to a swap agreement on terms identical to the Agreement with any affiliate or subsidiary of Ambac (a “**Designee**”), with only such changes as are necessary to reflect the identity of the Designee (such agreement, a “**Designee Swap Agreement**”); *provided* that (w) Ambac has either (i) confirmed in writing to Counterparty and Designee that this Policy shall cover the Designee’s obligations under such Designee Swap Agreement or (ii) issued a financial guaranty insurance policy of the same scope, manner and tenor as this Policy covering such Designee’s obligations under such Designee Swap Agreement, (x) at the time Counterparty would become party to such Designee Swap Agreement, no Event of Default or Potential Event of Default or Termination Event (as defined therein) would be occurring thereunder with respect to Designee, (y) Counterparty will not, as a result of becoming a party to such Designee Swap Agreement, be required on the next succeeding Scheduled Payment Date (as defined therein) to pay to Designee an amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) thereof (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e) thereof) greater than the amount in respect of which Counterparty would have been required to pay to AFS under the Agreement and (z) Designee will not be required on the next succeeding Scheduled Payment Date to withhold or deduct on account of a Tax under Section 2(d)(i) thereof (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e) thereof) amounts in excess of that which AFS would on the next succeeding Scheduled Payment Date have been required to so withhold or deduct under the Agreement unless Designee would be required to make additional payments pursuant to Section 2(d)(i)(4) thereof corresponding to such excess. With respect to the result described in clauses (y) and (z) of this Section 6, the Designee Swap Agreement will contain such Payee Tax Representations and Payer Tax Representations as may be necessary in order to permit each party to determine that such result will not occur. All reasonable expenses of Counterparty in connection with a Designee Swap Agreement or prospective Designee Swap Agreement shall be paid by Ambac.

7. Upon the earlier of (x) payment in full by Ambac to Counterparty of all amounts Due for Payment from Ambac hereunder and (y) the issuance by Ambac of a new financial guaranty insurance policy in connection with the implementation of a Designee Swap Agreement in accordance with Section 6 of this Policy, Ambac shall have no further obligation under this Policy.

8. Ambac’s obligations to make payment under this Policy are irrevocable, absolute and unconditional, irrespective of the value, genuineness, validity, legality or enforceability of the Agreement or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for the amounts Due for Payment hereunder, and, to the fullest extent permitted by applicable law, irrespective of any

other circumstance which might constitute a legal or equitable defense to payment of a surety or guarantor, including fraud in the inducement or fraud in fact. Ambac hereby expressly waives diligence, presentment, protest and any requirement that Counterparty exhaust any right, power or remedy or proceed against AFS, or against any other person under any other guarantee of, or security for, the Agreement, *provided* that Counterparty shall be required to deliver a Swap Notice or Early Payment Notice, as the case may be, as contemplated by this Policy. None of the foregoing waivers shall prejudice any claim Ambac may have, whether directly or as subrogee of Counterparty, subsequent to making such payment to Counterparty in accordance with this Policy.

9. Any service of process on Ambac may be made to Ambac at the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, the General Counsel of Ambac will act as agent for the acceptance of service of process. The office of the General Counsel of Ambac is located at One State Street Plaza, New York, New York 10004.

10. This Policy is noncancelable for any reason. The premium on this Policy is not refundable for any reason, including early termination of the Agreement by Counterparty or AFS.

11. This Policy shall be governed by and interpreted under the laws of the State of New York, and any suit hereunder in connection with any amount due hereunder may be brought only by Counterparty and only within the time limit prescribed by any applicable statute of limitations. The insurance provided by this Policy is not covered by the New York Property/Casualty Insurance Security Fund (New York Insurance Code, Article 76).

IN WITNESS WHEREOF, Ambac has caused this Policy to be executed and attested on its behalf this day of , 200 .

Attest: _____
Assistant Secretary

AMBAC ASSURANCE CORPORATION
By _____
Name:
Title:

Attachment 1

Financial Guaranty Insurance Policy No. SWLP0[___]BE

SWAP NOTICE

[Date]

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Ambac Financial Services, L.P.
One State Street Plaza
New York, New York 10004

Reference is made to the ISDA Master Agreement, dated as of _____, 200____, between Ambac Financial Services, L.P. (“**AFS**”) and The Public Building Authority of _____, Tennessee, (“**Counterparty**”), including the Schedule and any ISDA Credit Support Annex thereto, and all Transactions (as defined therein) thereunder (collectively, and as amended as of the date hereof, the “**Agreement**”) and Policy No. SWLP0[___]BE (the “**Policy**”) issued by Ambac Assurance Corporation (“**Ambac**”). The terms that are capitalized herein and not otherwise defined have the meanings specified in the Agreement unless the context otherwise requires.

1. [An Event of Default in respect of AFS as the Defaulting Party] [A Termination Event in respect of AFS as an Affected Party] specified in Section ___ of the Agreement has occurred and is continuing under the Agreement.

2. As a consequence thereof, Counterparty hereby designates _____, _____ as the Early Termination Date for the Agreement and, unless an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, acknowledges that a Novation of the Agreement shall occur in accordance with the Agreement and the Policy.

3. If an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, then this Swap Notice shall constitute a demand for payment by Ambac of any amounts due but unpaid by AFS to Counterparty under the Agreement in respect of the Early Termination Date designated in paragraph (2) above.

4. If no Ambac-Triggered Event is continuing on the date of receipt hereof, then Counterparty hereby agrees to perform for the benefit of Ambac by reference to the Post-Novation Reference Agreement and confirms all of the other agreements made by it, for the benefit of Ambac, in the Agreement.

5. Counterparty hereby agrees (x) to Ambac's unilateral right to cause Counterparty to be a party to a swap agreement pursuant to Section 6 of the Policy and (y) that, without derogation of its rights under the Policy, it shall, upon the request of Ambac, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within a reasonable period following such request, such instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Policy.

6. Notwithstanding any of the above, if the Event of Default cited in paragraph (1) above is the failure by AFS to pay the amount due under the Agreement on the final Scheduled Payment Date, then, whether or not an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, this Swap Notice shall constitute a demand for payment by Ambac of such amount.

THE PUBLIC BUILDING AUTHORITY OF
, TENNESSEE

By _____

Name:

Title:

Attachment 2

Financial Guaranty Insurance Policy No. SWLP0[___]BE

EARLY PAYMENT NOTICE

[Date]

[RECIPIENT OF NOTICE]

Reference is made to the Policy No. SWLP0[___]BE (the “**Policy**”) issued by Ambac Assurance Corporation (“**Ambac**”) in respect of the ISDA Master Agreement, dated as of _____, 200____, between Ambac Financial Services, L.P. and The Public Building Authority of City of _____, Tennessee (“**Counterparty**”), including the Schedule and any ISDA Credit Support Annex thereto, and all Transactions (as defined therein) thereunder, as amended and/or novated as of the date hereof. The terms that are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

This Notice is given pursuant to Section 4 of the Policy.

[Party giving notice] hereby designates [_____] [___], [_____] as the Early Payment Date¹ in connection with the occurrence of an event with respect to [Ambac][Counterparty] that constitutes [an Event of Default] [a Termination Event] specified in Section ___ of the Post-Novation Reference Agreement.

Notwithstanding any of the above, if the Event of Default cited above is the failure by Ambac to pay the amount due by reference to the Post-Novation Reference Agreement on the final Scheduled Payment Date (as defined therein), then, whether or not an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, this Early Payment Notice shall constitute a demand for payment by Ambac of such amount.

[PARTY GIVING NOTICE]

By: _____
Name:
Title:

¹ A date not earlier than one (1) business day, and not later than twenty (20) days, following the date on which the Early Payment Notice is delivered.

**FINANCIAL GUARANTY INSURANCE POLICY
FOR SWAP AGREEMENT
(Counterparty Payment Policy)**

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
(212) 668-0340

Policy No. CPP0[___]BE

Effective Date: CPP0[___]BE

Ambac Assurance Corporation (“**Ambac**”), in consideration of the payment of the premium and subject to the terms of the this Policy, hereby unconditionally and irrevocably guarantees the full and complete payments of amounts which are “Due for Payment” (as defined below) by or on behalf of The Public Building Authority of City of Sevierville, Tennessee, or its successors or permitted assigns (the “**Counterparty**”) to Ambac Financial Services, LLC (“**AFS**” or the “**Beneficiary**”), under the ISDA Master Agreement dated as of CPP0[___]BE, including the Schedule thereto, and all Transactions (as defined therein) thereunder, which shall include only transactions in which the obligations of the Counterparty are payable from amounts paid by City of Sevierville, Tennessee (collectively, and as amended from time to time, the “**Agreement**”), by and between the Counterparty and AFS, as such payments are Due for Payment (as defined below) but shall not be so paid in accordance with the terms of the Agreement, for which the grace period set forth in the Agreement has expired, and for which a Demand for Payment in the form attached hereto as Attachment 1 (the “**Demand for Payment**”) has been presented to Ambac in accordance with the terms of this Policy provided that unless the Option (as defined below) is exercised by Ambac or unless the Counterparty designates an Early Termination Date (as defined and under the Agreement), the amount available hereunder for payment pursuant to any one Demand for Payment shall not exceed the amount that is Due for Payment (the “**Policy Coverage**”); provided further that the Policy Coverage shall never exceed the amount that is Due for Payment, unless such Demand for Payment is made with respect to an amount that is due from the Counterparty as a result of the designation of an Early Termination Date. As used herein, the term “Due for Payment” refers to the amounts that are required to be paid by the Counterparty on each regularly scheduled Payment Date stated in the Agreement, as the same may be reduced from time to time in accordance with the terms of the Agreement. If a Demand for Payment is made under this Policy, Ambac will continue to make regularly scheduled payments under the Agreement unless Ambac elects, at its sole option, to direct the Beneficiary to designate an Early Termination Date on a specified future date (which election can be made at the time the initial Demand for Payment has been made or at any time thereafter) or unless the Counterparty designates an Early Termination Date. If Ambac so directs the Beneficiary to designate an Early Termination Date (the “**Option**”), Ambac will pay to the Beneficiary the amount, if any, due from the Counterparty as a result of the designation of such Early Termination Date, following the receipt of a Demand for Payment with respect to any such amount owed.

1. Upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac of a Demand for Payment, duly executed by the Beneficiary; or (ii) the date prescribed for payment of such amount under the terms of the Agreement as specified in the Demand for Payment presented by the Beneficiary to the General Counsel of Ambac, Ambac will make a deposit of funds in an account with the Beneficiary in New York, New York, sufficient for the payment to the Beneficiary, of amounts which are then due to the Beneficiary (as specified in the Demand for Payment) but in no case in excess of the Policy Coverage unless such Demand for Payment is for an amount due from the Counterparty as a result of the designation of an Early Termination Date by the Beneficiary at the direction of Ambac or by the Counterparty. Such payment shall be made by Ambac only upon receipt by Ambac of an instrument of assignment, in form and substance satisfactory to Ambac, duly executed by the Beneficiary, transferring to Ambac all rights under the Agreement to receive amounts due from the Counterparty under the Agreement and in respect of which a Demand for Payment was made. Ambac shall be subrogated to all of the Beneficiary's rights to payment under the Agreement to the extent of any Policy payments made.

2. Demand for Payment hereunder may be made by telecopy or prepaid telex or telegram of the executed Demand for Payment c/o the General Counsel of Ambac. If a Demand for Payment made hereunder does not, in any instance, conform to the terms and conditions of this Policy, Ambac shall give notice to the Beneficiary, as promptly as reasonably practicable, that such Demand for Payment was not effected in accordance with the terms and conditions of this Policy, and briefly stating the reason(s) therefor. Upon being notified that such Demand for Payment was not effected in accordance with this Policy, the Beneficiary may attempt to correct any such nonconforming Demand for Payment if, and to the extent that, the Beneficiary is entitled and able to do so.

3. The amount payable by Ambac under this Policy on any Payment Date or the date prescribed for payment of such amount under the terms of the Agreement pursuant to a particular Demand for Payment shall be limited to the Policy Coverage unless such Demand for Payment is with respect to an amount due from the Counterparty as a result of the designation of an Early Termination Date by the Beneficiary at the direction of Ambac or by the Counterparty. The Policy Coverage shall be reduced automatically to the extent of each payment made by Ambac hereunder in respect of an amount that is Due for Payment. Upon payment in full by Ambac to the Beneficiary of the amount, if any, due from the Counterparty in respect of the exercise by Ambac of its Option, Ambac shall have no further obligation under this Policy.

4. Any service of process on Ambac may be made to Ambac or the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, General Counsel will act as agent for the acceptance of service of process and its offices are located at One State Street Plaza, New York, New York 10004.

5. This Policy is noncancelable for any reason. The term of this Policy shall expire on the earliest date on which both (i) the Agreement and all transactions governed by the Agreement are terminated pursuant to its terms, and (ii) all amounts, if any, due and owing by the Counterparty under the Agreement shall have been paid in full. The premium on this Policy is not refundable for any reason, including early termination of the Agreement by either Ambac,

the Counterparty or the Beneficiary. There shall be no acceleration payment due under the Policy unless such acceleration is at the sole option of Ambac.

6. This Policy shall be governed by and interpreted under the laws of the State of New York, and any suit hereunder in connection with any amount due hereunder may be brought only by the Beneficiary and only within the time limit prescribed by any applicable statute of limitations. The insurance provided by this Policy is not covered by the New York Property/Casualty Insurance Security Fund (New York Insurance Code, Article 76).

IN WITNESS WHEREOF, Ambac has caused this Policy to be executed and attested on its behalf this 24th day of June, 2004.

AMBAC ASSURANCE CORPORATION

Attest: _____
Title:

By: _____
Title:

Attachment 1

Financial Guaranty Insurance Policy No. CPP0[___]BE

DEMAND FOR PAYMENT

[Date]

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Reference is made to the Policy No. CPP0[___]BE (the "**Policy**") issued by Ambac Assurance Corporation ("**Ambac**"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

The Beneficiary hereby certifies that:

(a) Payment by the Counterparty to the Beneficiary is due on _____, in an amount equal to \$_____ (the "**Amount Due**").

(b) \$_____ has been paid (or provision for such payment has been made) to the Beneficiary by the Counterparty under the Agreement, which amount is \$_____ less than the Amount Due (the "**Deficiency**").

(c) The Beneficiary has not heretofore made demand under the Policy for the Amount Due or any portion thereof and the Deficiency is not in excess of the Policy Coverage.

The Beneficiary hereby requests that payment of the Deficiency be made by Ambac under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy:

_____ [The Beneficiary's Account]

or, in the case of an Early Termination Date:

(a) Payment to the Beneficiary of the Settlement Amount and the Unpaid Amounts (as each such term is defined in the Agreement) is due on _____, in respect of an Early Termination Date so designated [by the Beneficiary at the direction of Ambac pursuant to its exercise of the Option under the Policy] [by the Counterparty].

(b) The Beneficiary has not heretofore made demand under the Policy for the Settlement Amount or the Unpaid Amounts.

The Beneficiary hereby request that payment of the Settlement Amount and the Unpaid Amounts be made by Ambac under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy:

_____ The Beneficiary's Account

Ambac Financial Services, LLC

By: _____

Its: _____

**FINANCIAL GUARANTY INSURANCE POLICY
FOR SWAP AGREEMENT**

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
(212) 668-0340

Policy No. SWLP0[___]BE

Effective Date: June 24, 2004

Ambac Assurance Corporation (“**Ambac**”) hereby unconditionally and irrevocably guarantees the full and complete payment of amounts Due for Payment (defined below) by Ambac Financial Services, LLC (“**AFS**”), to The Public Building Authority of City of Sevierville, Tennessee, or its successors or permitted assigns (“**Counterparty**”), pursuant to the ISDA Master Agreement, dated as of the Effective Date, by and between AFS and Counterparty including the Schedule and any ISDA Credit Support Annex thereto and all Transactions (as defined therein) thereunder (collectively, and as amended from time to time, the “**Agreement**”), in consideration of the payment of the premium by AFS, subject to the terms of this policy (“**Policy**”) and following the delivery, in accordance with the Agreement, by Counterparty to AFS and Ambac of a swap notice in the form attached hereto as Attachment 1 (a “**Swap Notice**”) or the delivery, in accordance herewith, by either Ambac or Counterparty of a notice, in the form attached hereto as Attachment 2 (an “**Early Payment Notice**”), as the case may be. Capitalized terms used herein and not otherwise defined have the meanings assigned thereto in the Agreement.

As used herein, amounts “**Due for Payment**” refers to (a) if an Ambac-Triggered Event (defined below) has occurred and is continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac, the amount due by AFS to Counterparty either (i) as a result of the early termination of the Agreement or (ii) on the final Scheduled Payment Date under the Agreement, as the case may be, and (b) if an Ambac-Triggered Event is not continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac, (i) amounts required to be paid by Ambac to Counterparty by reference to the Post-Novation Reference Agreement (defined below) prior to an Early Payment Date (defined below) and (ii) if an Early Payment Date occurs, the amount required to be paid by Ambac as if there had been an Early Termination Date under the Post-Novation Reference Agreement on the same date as such Early Payment Date.

An “**Ambac-Triggered Event**” means an Event of Default or Termination Event with respect to which AFS is the Defaulting Party or an Affected Party under the Agreement where such Event of Default or Termination Event arises solely by reason of an event or condition that is directly attributable to AFS’s Credit Support Provider.

“**Post-Novation Reference Agreement**” shall mean the Agreement as it would have operated if Ambac (instead of AFS) had been a party to the Agreement (including, without limitation, any ISDA Credit Support Annex) but without regard to (i) any obligations of AFS contained in any provisions in the Schedule to the Agreement that, by their terms, are only

applicable prior to the Novation of the Agreement or that are unique by their nature to AFS or (ii) references in the Agreement to Party A's Credit Support Provider.

1. Ambac will make a deposit of funds in an account with Counterparty in New York, New York, sufficient for the payment to Counterparty, of amounts Due for Payment hereunder on the day that is the later of (x) the date on which such amount is due under the Agreement or, if there is a Novation of the Agreement, by reference to the Post-Novation Reference Agreement and (y) one (1) business day following receipt by Ambac of a Swap Notice or Early Payment Notice, as the case may be.

2. A Swap Notice may be delivered by telecopy of the executed Swap Notice to the attention of the General Counsel of Ambac. If a Swap Notice delivered hereunder does not, in any instance, conform to the terms and conditions of this Policy, Ambac shall give notice to Counterparty, as promptly as reasonably practicable, that such Swap Notice was not effected in accordance with the terms and conditions of this Policy and briefly stating the reason(s) therefor. Upon being notified that such Swap Notice was not effected in accordance with this Policy, Counterparty may promptly attempt to correct any such nonconforming Swap Notice, if, and to the extent that, Counterparty is entitled and able to do so.

3. If no Ambac-Triggered Event is continuing on the date on which a correct and conforming Swap Notice is delivered to Ambac in accordance herewith, then, in consideration of the agreements and assignment by Counterparty in the Agreement, Ambac (a) hereby assumes (as of the date of such Swap Notice) all of Counterparty's remaining obligations under the Agreement with respect to AFS and (b) thereafter, without duplication of the obligation to pay amounts Due for Payment hereunder, shall perform for the benefit of Counterparty by reference to the Post-Novation Reference Agreement. In order to secure Ambac's obligations hereunder subsequent to the Novation of the Agreement, Ambac hereby grants to Counterparty a security interest in all collateral held by Counterparty pursuant to the Agreement, and in any and all proceeds of and distributions thereon, subject to the provisions set forth in the Post-Novation Reference Agreement.

4. Subsequent to the Novation of the Agreement:

(a) Counterparty shall be entitled to designate an Early Payment Date hereunder by delivering to Ambac an Early Payment Notice (i) upon the occurrence of any event that, by reference to the Post-Novation Reference Agreement, permits Counterparty to designate an Early Termination Date or (ii) for failure by Ambac to pay any amount Due for Payment hereunder; and

(b) Ambac shall be entitled to designate an Early Payment Date hereunder by delivering to Counterparty an Early Payment Notice upon the occurrence of any event that, by reference to the Post-Novation Reference Agreement, permits Ambac to designate an Early Termination Date.

An "**Early Payment Date**" shall mean (i) a date designated in an Early Payment Notice delivered hereunder that, by reference to the Post-Novation Reference Agreement, Counterparty or Ambac is entitled to designate as an Early Termination Date and (ii) the

Early Termination Date set forth in the Post-Novation Reference Agreement as the result of an “Automatic Early Termination” as described therein.

An Early Payment Notice shall be delivered in accordance with the terms set forth in the Post-Novation Reference Agreement.

5. Ambac shall promptly notify Counterparty if, upon Counterparty’s delivery of a Swap Notice, an Ambac-Triggered Event has occurred and is continuing.

6. Subsequent to the Novation of the Agreement, Ambac may, without the consent of Counterparty, unilaterally cause Counterparty to be a party to a swap agreement on terms identical to the Agreement with any affiliate or subsidiary of Ambac (a “**Designee**”), with only such changes as are necessary to reflect the identity of the Designee (such agreement, a “**Designee Swap Agreement**”); *provided* that (w) Ambac has either (i) confirmed in writing to Counterparty and Designee that this Policy shall cover the Designee’s obligations under such Designee Swap Agreement or (ii) issued a financial guaranty insurance policy of the same scope, manner and tenor as this Policy covering such Designee’s obligations under such Designee Swap Agreement, (x) at the time Counterparty would become party to such Designee Swap Agreement, no Event of Default or Potential Event of Default or Termination Event (as defined therein) would be occurring thereunder with respect to Designee, (y) Counterparty will not, as a result of becoming a party to such Designee Swap Agreement, be required on the next succeeding Scheduled Payment Date (as defined therein) to pay to Designee an amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) thereof (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e) thereof) greater than the amount in respect of which Counterparty would have been required to pay to AFS under the Agreement and (z) Designee will not be required on the next succeeding Scheduled Payment Date to withhold or deduct on account of a Tax under Section 2(d)(i) thereof (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e) thereof) amounts in excess of that which AFS would on the next succeeding Scheduled Payment Date have been required to so withhold or deduct under the Agreement unless Designee would be required to make additional payments pursuant to Section 2(d)(i)(4) thereof corresponding to such excess. With respect to the result described in clauses (y) and (z) of this Section 6, the Designee Swap Agreement will contain such Payee Tax Representations and Payer Tax Representations as may be necessary in order to permit each party to determine that such result will not occur. All reasonable expenses of Counterparty in connection with a Designee Swap Agreement or prospective Designee Swap Agreement shall be paid by Ambac.

7. Upon the earlier of (x) payment in full by Ambac to Counterparty of all amounts Due for Payment from Ambac hereunder and (y) the issuance by Ambac of a new financial guaranty insurance policy in connection with the implementation of a Designee Swap Agreement in accordance with Section 6 of this Policy, Ambac shall have no further obligation under this Policy.

8. Ambac’s obligations to make payment under this Policy are irrevocable, absolute and unconditional, irrespective of the value, genuineness, validity, legality or enforceability of the Agreement or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for the amounts Due for Payment hereunder, and, to the fullest extent permitted by applicable law, irrespective of any

other circumstance which might constitute a legal or equitable defense to payment of a surety or guarantor, including fraud in the inducement or fraud in fact. Ambac hereby expressly waives diligence, presentment, protest and any requirement that Counterparty exhaust any right, power or remedy or proceed against AFS, or against any other person under any other guarantee of, or security for, the Agreement, *provided* that Counterparty shall be required to deliver a Swap Notice or Early Payment Notice, as the case may be, as contemplated by this Policy. None of the foregoing waivers shall prejudice any claim Ambac may have, whether directly or as subrogee of Counterparty, subsequent to making such payment to Counterparty in accordance with this Policy.

9. Any service of process on Ambac may be made to Ambac at the office of the General Counsel of Ambac and such service of process shall be valid and binding as to Ambac. During the term of its appointment, the General Counsel of Ambac will act as agent for the acceptance of service of process. The office of the General Counsel of Ambac is located at One State Street Plaza, New York, New York 10004.

10. This Policy is noncancelable for any reason. The premium on this Policy is not refundable for any reason, including early termination of the Agreement by Counterparty or AFS.

11. This Policy shall be governed by and interpreted under the laws of the State of New York, and any suit hereunder in connection with any amount due hereunder may be brought only by Counterparty and only within the time limit prescribed by any applicable statute of limitations. The insurance provided by this Policy is not covered by the New York Property/Casualty Insurance Security Fund (New York Insurance Code, Article 76).

IN WITNESS WHEREOF, Ambac has caused this Policy to be executed and attested on its behalf this 24th day of June, 2004.

Attest: _____
Assistant Secretary

AMBAC ASSURANCE CORPORATION
By _____
Name:
Title:

Attachment 1

Financial Guaranty Insurance Policy No. SWLP0[___]BE

SWAP NOTICE

[Date]

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Ambac Financial Services, L.P.
One State Street Plaza
New York, New York 10004

Reference is made to the ISDA Master Agreement, dated as of June 24, 2004, between Ambac Financial Services, L.P. (“**AFS**”) and The Public Building Authority of City of Sevierville, Tennessee, (“**Counterparty**”), including the Schedule and any ISDA Credit Support Annex thereto, and all Transactions (as defined therein) thereunder (collectively, and as amended as of the date hereof, the “**Agreement**”) and Policy No. SWLP0[___]BE (the “**Policy**”) issued by Ambac Assurance Corporation (“**Ambac**”). The terms that are capitalized herein and not otherwise defined have the meanings specified in the Agreement unless the context otherwise requires.

1. [An Event of Default in respect of AFS as the Defaulting Party] [A Termination Event in respect of AFS as an Affected Party] specified in Section ___ of the Agreement has occurred and is continuing under the Agreement.

2. As a consequence thereof, Counterparty hereby designates _____, _____ as the Early Termination Date for the Agreement and, unless an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, acknowledges that a Novation of the Agreement shall occur in accordance with the Agreement and the Policy.

3. If an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, then this Swap Notice shall constitute a demand for payment by Ambac of any amounts due but unpaid by AFS to Counterparty under the Agreement in respect of the Early Termination Date designated in paragraph (2) above.

4. If no Ambac-Triggered Event is continuing on the date of receipt hereof, then Counterparty hereby agrees to perform for the benefit of Ambac by reference to the Post-Novation Reference Agreement and confirms all of the other agreements made by it, for the benefit of Ambac, in the Agreement.

5. Counterparty hereby agrees (x) to Ambac's unilateral right to cause Counterparty to be a party to a swap agreement pursuant to Section 6 of the Policy and (y) that, without derogation of its rights under the Policy, it shall, upon the request of Ambac, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within a reasonable period following such request, such instruments and take such further action as may be reasonably necessary to effectuate the intention, performance and provisions of the Policy.

6. Notwithstanding any of the above, if the Event of Default cited in paragraph (1) above is the failure by AFS to pay the amount due under the Agreement on the final Scheduled Payment Date, then, whether or not an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, this Swap Notice shall constitute a demand for payment by Ambac of such amount.

THE PUBLIC BUILDING AUTHORITY OF
CITY OF SEVIERVILLE, TENNESSEE

By _____
Name:
Title:

Attachment 2

Financial Guaranty Insurance Policy No. SWLP0[___]BE

EARLY PAYMENT NOTICE

[Date]

[RECIPIENT OF NOTICE]

Reference is made to the Policy No. SWLP0[___]BE (the “**Policy**”) issued by Ambac Assurance Corporation (“**Ambac**”) in respect of the ISDA Master Agreement, dated as of June 24, 2004, between Ambac Financial Services, L.P. and The Public Building Authority of City of Sevierville, Tennessee (“**Counterparty**”), including the Schedule and any ISDA Credit Support Annex thereto, and all Transactions (as defined therein) thereunder, as amended and/or novated as of the date hereof. The terms that are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

This Notice is given pursuant to Section 4 of the Policy.

[Party giving notice] hereby designates [_____] [___], [_____] as the Early Payment Date¹ in connection with the occurrence of an event with respect to [Ambac][Counterparty] that constitutes [an Event of Default] [a Termination Event] specified in Section ___ of the Post-Novation Reference Agreement.

Notwithstanding any of the above, if the Event of Default cited above is the failure by Ambac to pay the amount due by reference to the Post-Novation Reference Agreement on the final Scheduled Payment Date (as defined therein), then, whether or not an Ambac-Triggered Event has occurred and is continuing on the date of receipt hereof, this Early Payment Notice shall constitute a demand for payment by Ambac of such amount.

[PARTY GIVING NOTICE]

By: _____
Name:
Title:

¹ A date not earlier than one (1) business day, and not later than twenty (20) days, following the date on which the Early Payment Notice is delivered.

ISDA®

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the

ISDA MASTER AGREEMENT

dated as of _____, 200_

between

and

(“Party A”)

(“Party B”)

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows: -

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor.** All references in this Annex to the “Secured Party” will be to either party when acting in that capacity and all corresponding references to the “Pledgor” will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Delivery Amount**" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Return Amount**" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"**Credit Support Amount**" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if

the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) ***Substitutions.***

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the “Substitute Credit Support”); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the “Substitution Date”); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a “Disputing Party”) disputes (I) the Valuation Agent’s calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent’s original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) **Care of Posted Collateral.** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) **Eligibility to Hold Posted Collateral; Custodians.**

(i) **General.** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) **Failure to Satisfy Conditions.** If the Secured Party or its Custodian fails to satisfy conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) **Liability.** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) **Use of Posted Collateral.** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) **Distributions and Interest Amount.**

(i) **Distributions.** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) **Secured Party's Rights and Remedies.** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
- (iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a Pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

- (iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

- (a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.
- (b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).
- (c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

- (a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obliged to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that the Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.
- (c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).
- (d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.
- (e) **Demands and Notices.** All demands and notices given by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.
- (f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:—

“*Cash*” means the lawful currency of the United States of America.

“*Credit Support Amount*” has the meaning specified in Paragraph 3.

“*Custodian*” has the meaning specified in Paragraphs 6(b)(i) and 13.

“*Delivery Amount*” has the meaning specified in Paragraph 3(a).

“*Disputing Party*” has the meaning specified in Paragraph 5.

“*Distributions*” means, with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

“*Eligible Collateral*” means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

“*Eligible Credit Support*” means Eligible Collateral and Other Eligible Support.

“*Exposure*” means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of “Market Quotation”).

“*Independent Amount*” means, with respect to party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

“*Interest Amount*” means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

“*Interest Period*” means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

“*Interest Rate*” means the rate specified in Paragraph 13.

“Local Business Day,” unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

“Minimum Transfer Amount” means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

“Notification Time” has the meaning specified in Paragraph 13.

“Obligations” means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

“Other Eligible Support” means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

“Other Posted Support” means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

“Pledgor” means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

“Posted Collateral” means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

“Posted Credit Support” means Posted Collateral and Other Posted Support.

“Recalculation Date” means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however*, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the “Recalculation Date” means the most recent Valuation Date under Paragraph 3.

“Resolution Time” has the meaning specified in Paragraph 13.

“Return Amount” has the meaning specified in Paragraph 3(b).

“Secured Party” means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

“Specified Condition” means, with respect to a party, any event specified as such for that party in Paragraph 13.

“Substitute Credit Support” has the meaning specified in Paragraph 4(d)(i).

“Substitution Date” has the meaning specified in Paragraph 4(d)(ii).

“Threshold” means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

“Transfer” means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

- (i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered in book-entry, the giving of written instruments to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

“**Valuation Agent**” has the meaning specified in Paragraph 13.

“**Valuation Date**” means each date specified in or otherwise determined pursuant to Paragraph 13.

“**Valuation Percentage**” means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

“**Valuation Time**” has the meaning specified in Paragraph 13.

“**Value**” means for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 5 in the case of a dispute, with respect to:

- (i) Eligible Collateral or Posted Collateral that is:
 - (A) Cash, the amount thereof; and
 - (B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;
- (ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and
- (iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

Ambac Financial Services, LLC
One State Street Plaza
New York, New York 10004

_____, 200__

The Public Building Authority of
_____, Tennessee

Attn: Executive Director

Ladies and Gentlemen:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the “**Transaction**”). This letter agreement constitutes a “Confirmation” as referred to in the Master Agreement specified below.

The definitions and provisions contained in the 1992 ISDA Municipal Counterparty Definitions (as published by the International Swaps and Derivatives Association, Inc.) and the Schedule to the Agreement specified below are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of _____, 200_, as amended and supplemented from time to time (the “**Agreement**”), between Ambac Financial Services, LLC (“**AFS**”) and The Public Building Authority of _____, Tennessee (the “**Authority**”), relating to Transactions in which the obligations of the Authority are payable from amounts paid by __ _____, Tennessee (the “**Borrower**”) under any loan agreement between the Authority and the Borrower. The obligations of the Authority under this Transaction are payable from amounts paid by the Borrower under the Loan Agreement dated as of _____, 200_ between the Authority and the Borrower relating to the Authority’s Local Government Public Improvement Bonds, Series _____. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmation relates — which is an interest rate swap — are as follows:

Calculation Amount: \$_____

Trade Date: _____, 200__
Effective Date: _____, 200__
Termination Date: _____, 200__, subject to the Modified Following
Business Day Convention
Business Days: New York

AFS Floating Amounts:

Floating Rate
Payer: AFS
Payment Dates: The first day of each September, December, March and
June commencing _____, 200__, to and including the
Termination Date, subject to the Modified Following
Business Day Convention
Period-End Dates: The first day of each September, December, March and
June. No adjustment.
Floating Rate
Option: USD-LIBOR-BBA multiplied by 0.70
Designated
Maturity: One (1) month
Floating Rate Day
Count Fraction: Actual/360
Reset Dates: The first day of each month
Floating Rate
Determination
Date: Two (2) London Banking Days prior to each Reset
Date
Method of
Averaging: Weighted Average
Compounding: Inapplicable

Authority Fixed Amounts:

Fixed Rate Payer: The Authority
Payment Dates: Same as Payment Dates for AFS Floating Amounts

Period-End Dates: Same as Period-End Dates for AFS Floating Amounts

Fixed Rate: _____% per annum

Fixed Rate Day
Count Fraction: 30/360

3. Account Details

Account for Payments to AFS:

The Bank of New York, ABA #021000018, Beneficiary: IOC 565 (Account of Ambac Financial Services, LLC, Account Number _____ AFP)

Account for Payments to the Authority:

Regions Bank; Birmingham, AL
ABA #: _____
Credit: Trust Checking, Account #: _____
ATTN:
REF: PBA _____, TN

4. Offices

The Office of AFS for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement. The Office of the Authority for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement.

5. The Authority and the party approving this Transaction below (the “**Approving Party**”) each represent to, and agree with, AFS as follows:

(a) Neither the Authority nor the Approving Party is relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of AFS or the AFS Credit Enhancer other than the representations expressly set forth in the Agreement and in this Confirmation.

(b) Each of the Authority and the Approving Party has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of this Transaction) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by AFS or the AFS Credit Enhancer.

(c) Each of the Authority and the Approving Party has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Transaction and is capable of assuming and willing to assume (financially and otherwise) those risks, including the basis risk in connection with this Transaction as a result of the fact that the interest rate on the Bonds is determined on a basis that is different from the Floating Rate Option hereunder.

(d) It is understood and agreed that for all purposes of this Transaction (i) AFS has acted solely as an independent contractor and (ii) neither AFS nor the AFS Credit Enhancer has acted as a financial, investment or commodity trading advisor, fiduciary or agent to the Authority or the Approving Party for any purpose, it being understood that AFS has provided indicative swap quotations with respect to this Transaction. AFS has not rendered any advice or counsel to the Authority or the Approving Party, whether directly or indirectly through any other person, including, without limitation, any financial advisor to the Authority or the Approving Party or any underwriter of the Bonds, as to this Transaction or the advisability of entering into this Transaction.

(e) This Transaction will be, entered into by each of the Authority and the Approving Party for the purpose of managing its borrowings by hedging interest rate risk and not for the purpose of speculation.

(f) Each of the Authority and the Approving Party is an “eligible contract participant” within the meaning of Section 1(a)(12) of the Commodity Exchange Act (7 U.S.C. 1a), as amended by the Commodity Futures Modernization Act of 2000.

6. For purposes of this Transaction, the following definitions shall apply:

“**Bond Security Agreement**” means the Indenture of Trust, dated as of ____ 1, 200__, between the Authority and Regions Bank, as Trustee, as the same may be amended in accordance with the terms thereof and hereof.

“**Bonds**” means the Authority’s \$__,000,000 Local Government Public Improvement Bonds, _____, issued _____, 200__.

“**Loan Agreement**” means the Loan Agreement, dated as of _____, 200__, between the Authority and City of _____, Tennessee, as the same may be amended in accordance with the terms hereof and thereof.

7. Each party hereto and the Approving Party hereby confirm and agree that AFS, as a Swap Counterparty for purposes of the Loan Agreement and the Bond Security Agreement and a beneficiary of the granting clause under the Bond Security Agreement, shall have the right, upon an event of default under the Loan Agreement that results in an Event of Default under this Agreement, to enforce the Borrower’s obligations under the Loan Agreement by taking actions at law, including mandamus, or in equity to collect amounts then due or enforce performance of covenants of the Borrower.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

AMBAC FINANCIAL SERVICES, LLC

By _____

Name:

Title:

By _____

Name:

Title:

Confirmed as of the date first above written on _____, 200__:

THE PUBLIC BUILDING AUTHORITY OF _____, TENNESSEE

By _____

Name:

Title: Chairman

By _____

Name:

Title: Secretary

Terms of this Confirmation and the Agreement referred to in Section 1 of this Confirmation are hereby approved. It is hereby acknowledged that a risk of this Transaction is the basis risk described in paragraph 5(c) and, due to such risk, payments owed by the undersigned under the Loan Agreement may be greater than they would have been but for such basis risk.

_____, **TENNESSEE**

By _____

Name:

Title:

By _____

Name:

Title:

LEASE AGREEMENT

DATED AS OF _____ 1, 200_

BETWEEN

THE INDUSTRIAL DEVELOPMENT BOARD OF
BLOUNT COUNTY, TENNESSEE

AND

BLOUNT COUNTY, TENNESSEE,
THE CITY OF MARYVILLE, TENNESSEE
AND
THE CITY OF ALCOA, TENNESSEE

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LEASE AGREEMENT

This Lease, made and entered into as of _____, 200_, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE, a public nonprofit corporation and instrumentality of Blount County, Tennessee (hereinafter called "Lessor"), and BLOUNT COUNTY, TENNESSEE, a county created under the laws of the State of Tennessee (the "County"), the CITY OF MARYVILLE, TENNESSEE, a Tennessee municipal corporation ("Maryville") and the CITY OF ALCOA, TENNESSEE, a Tennessee municipal corporation ("Alcoa" and together with Maryville, the "Cities") (collectively, the "Lessees");

WITNESSETH:

WHEREAS, Lessor is a public nonprofit corporation and a public instrumentality of Blount County, Tennessee, and is authorized under Sections 7-53-101 to 7-53-311, inclusive, Tennessee Code Annotated, as amended (the "Act"), to acquire, whether by purchase, construction, exchange, gift, lease, or otherwise, and to own, lease and dispose of properties, including public buildings, for the public purposes identified in the Act; and

WHEREAS, the Lessees have determined that the construction of a civic arts center in the County will provide educational opportunities for the citizens of the County and the Cities, promote and encourage the undertaking and performance of the arts in the community and promote economic development and regional tourism; and

WHEREAS, Lessees have requested the Lessor to cause the acquisition, construction, equipping and financing of a civic arts center and to lease such facility to Lessees pursuant to the terms of the Act and this Lease;

WHEREAS, Maryville College (the "College") has agreed to make available a site for the development of the civic arts center on property owned by the College and is willing to lease such site to the Lessor; and

WHEREAS, Lessees intend to retain the College to manage the civic arts center facility for Lessees; and

WHEREAS, to provide funds to accomplish such purposes, Lessor will issue and sell \$45,000,000 in aggregate principal amount of its Public Facility Lease Revenue Bonds, Series 200_ dated _____, under and pursuant to the Act, to be secured by and to contain such terms and provisions as are set forth in that certain Trust Indenture dated as of _____ (the "Indenture"), between Lessor and _____, as Trustee (hereinafter called the "Trustee"), and the proceeds from the sale of such Bonds shall be deposited with the Trustee and disbursed in the manner and for the purposes set forth in the Indenture.

NOW, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessees, and the covenants and agreements hereinafter contained to be kept and performed by Lessees, does by these presents demise, lease and let unto Lessees, and Lessees do by these presents hire, lease and rent from Lessor, for the Term and upon the conditions hereinafter stated, the premises described in Schedule A hereto (hereinafter called the "Land") together with the Building (as defined herein), all other improvements now or hereafter located on the Land, and the Equipment (as defined herein);

UNDER AND SUBJECT, however, to deed restrictions, covenants, easements, reservations and rights of way, if any, shown on Schedule A; and

UNDER AND SUBJECT to the following terms and conditions:

ARTICLE I
Definitions

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

"AA Composite Commercial Paper Rate" means, as of any date of determination, the interest equivalent of the 30-day rate on financial commercial paper placed on behalf of issuers whose corporate bonds are rated "AA" by S&P, or the equivalent of such rating by S&P or another nationally recognized securities rating agency, as such 30-day rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination. If, however, the Federal Reserve Bank of New York does not make available any such rate, then the "AA" Composite Commercial Paper Rate shall mean, as of any date of determination, the arithmetic average of the interest equivalent of the 30-day rate on commercial paper placed on behalf of such issuers, as quoted to the Auction Agent or the Trustee, as the case may be, on a discount basis or otherwise, by the Commercial Paper Dealer, as of the close of business on the Business Day immediately preceding such date of determination. If there is more than one Commercial Paper Dealer and any Commercial Paper Dealer does not quote a commercial paper rate required to determine the "AA" Composite Commercial Paper Rate, the "AA" Composite Commercial Paper Rate shall be determined on the basis of the quotation or quotations furnished by the remaining Commercial Paper Dealer or Commercial Paper Dealers. For purposes of this definition, the "interest equivalent" of a rate stated on a discount basis (a "discount rate") for commercial paper of a given day's maturity shall be equal to the product of (i) 100 multiplied by (ii) the quotient (rounded upward to the next higher one thousandth (.001) of 1%) of (x) the discount rate (expressed in decimals) divided by (y) the difference between (1) 1.00 and (2) a fraction, the numerator of which shall be the product of the discount rate (expressed in decimals) multiplied by the number of days from (and including) the date of determination to (but excluding) the date on which such commercial paper matures and the denominator of which shall be 360.

"Act" means Title 7, Chapter 53, Tennessee Code Annotated.

"Additional Rent" means the payments required to be made by the Lessees pursuant to Section 3.02 hereof.

"Adjustment Date" means each Business Day for the Daily Period and the first day of each Weekly Period, each Short-Term Period and each Medium-Term Period.

"After-Tax Equivalent Rate" means, on any date of determination, the interest rate per annum equal to the product of (i) the "AA" Composite Commercial Paper Rate on such date and (ii) 1.00 minus the Statutory Corporate Tax Rate on such date.

"Agreement" means this Lease Agreement as it now exists and as it may hereafter be amended.

"ARS Bonds" means, on any date, the Bonds when bearing interest as auction rate securities as provided in Article III of the Indenture and the Auction Procedures applicable thereto.

"ARS Interest Payment Date" means, with respect to the Bonds, the Business Day immediately following each Auction Period for such Bonds, each Conversion Date and on Maturity.

"ARS Interest Period" means the period commencing on and including an ARS Interest Payment Date and ending on but excluding the next succeeding ARS Interest Payment Date; provided, that the first ARS Interest Period within each ARS Interest Rate Period shall commence on and include the Closing Date or the Conversion Date, as the case may be, with respect to the Bonds.

"ARS Maximum Rate" means, on any date of determination, the interest rate per annum equal to the lesser of (i) the Applicable Percentage of the higher of (A) the After-Tax Equivalent Rate on such date and (B) the Index on such date, and (ii) ___% per annum; provided, that in no event shall the ARS Maximum Rate be more than the Maximum Lawful Rate.

"Auction Agent Agreement" means the Auction Agent Agreement dated as of _____ 1, 2005 between the Trustee and _____, and any amendment or supplement thereto, and any substitute or additional Auction Agent Agreement authorized under the Indenture.

"Auction Period" means (i) with respect to the Bonds while ARS Bonds in a seven-day mode, any of (A) a period, generally of seven days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of seven days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (C) a period, generally of seven days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (D) a period, generally of seven days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) or (E) a period, generally of seven days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) and (ii) with respect to the Bonds while ARS Bonds in a 35-day mode, any of (A) a period, generally of 35 days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of 35 days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (C) a period, generally of 35 days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (D) a period, generally of 35 days, beginning on and including a Thursday (or the day

following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the fifth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day) or (E) a period, generally of 35 days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day); provided, however, that the initial Auction Period with respect to the Bonds shall begin on and include the Closing Date, and that in the event of a Conversion of the Bonds from another Interest Rate Period to an ARS Interest Rate Period the initial Auction Period following such Conversion shall begin on and include the Conversion Date.

"Auction Procedures" means the provisions set forth in Section 2 of the Auction and Settlement Procedures set forth in Exhibit B to the Auction Agent Agreement.

"Auction Rate" means, with respect to the interest rate on the Bonds while ARS Bonds, the rate of interest per annum that results from implementation of the Auction Procedures, and determined as described in Section 2(c)(ii) of the Auction Procedures; provided, however, that the Auction Rate shall not exceed the ARS Maximum Rate.

"Authorized Lessor Representative" means the Chairman, Vice-Chairman, Secretary or Assistant Secretary of the Lessor, and when used with reference to any act or document also means any other person authorized by resolution of the Lessor, a copy of which is filed with the Trustee, to perform such act or execute such document.

"Authorized Lessee Representative" shall mean any officer for the College from time to time designated to act on behalf of Lessees in a certificate delivered to the Trustee and signed by an officer of each of the Lessees giving the name and the specimen signature of any such officer so designated.

"Authorized Investments" means any of the following, which at the time of investment are authorized pursuant to State law:

- (a) Government Obligations;
- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export - Import Bank
 - Farm Credit System Financial Assistance Corporation
 - Rural Economic Community Development Administration (formerly the Farmers Home Administration)
 - General Services Administration
 - U. S. Maritime Administration
 - Small Business Administration
 - Government National Mortgage Association (GNMA)
 - U.S. Department of Housing & Urban Development (PHA's)
 - Federal Housing Administration;
 - Federal Financing Bank
- (c) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations rated "AAA" by Standard & Poor's Ratings Group ("S&P") and "Aaa" by Moody's Investor Services ("Moody's") issued by the Federal National Mortgage Association (FNMA) or the Federal Home Bond Proceeds Mortgage Corporation (FHLMC);
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Bond Proceeds Bank System
- Senior debt obligations of other agencies sponsored by the United States government and approved by the Bond Insurer;

(d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 calendar days after the date of purchase;

(f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(g) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow fund consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) Municipal Obligations rated "Aaa/AAA" or general obligation of states with a rating of at least "A2/A" or higher by both Moody's and S&P;

(i) Investment Agreements approved in writing by the Bond Insurer with respect to each Series of Bonds for which it provides Bond Insurance, and the Bank with respect to each Series of Bonds for which it provides a Standby Bond Purchase Agreement (in each case as applicable as indicated by the Administrator in writing to the Trustee with respect to a Series of Bonds) supported by opinions of counsel as to their due execution, delivery and enforceability, with notice to each Rating Agency having assigned a rating to the Bonds;

(j) The Local Government Investment Pool ("LGIP") authorized under Sections 9-4-701 et seq., Tennessee Code Annotated; and

(k) Other forms of investments approved by the Bond Insurer with respect to each Series of Bonds for which it provides Bond Insurance, and the Bank with respect to each Series of Bonds for which it provides a Standby Bond Purchase Agreement (in each case as applicable as indicated by the Administrator in writing to the Trustee with respect to a Series of Bonds) with notice to each Rating Agency having assigned a rating to such Series of Bonds.

"Value" of the Authorized Investments shall be determined as of the end of each month, and shall be calculated as follows:

(a) For securities: (1) the closing bid price quoted by Interactive Data Systems, Inc., or (2) a valuation performed by a nationally recognized and accepted pricing service acceptable to the Bond Insurer whose reduction method consists of the composite average of various bid price quotes on the valuation date; or (3) the lower of two dealer bids on the valuation date; however, the dealers and their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the Lessor, the Trustee and the Bond Insurer.

"Bank" means with respect to any Standby Bond Purchase Agreement, the bank or banks (and any agent on behalf of such banks) entering into such Standby Bond Purchase Agreement, and, in each case, their successors and assigns in such capacity. In the case of any Standby Bond Purchase Agreement with more than one bank, references herein to the "Bank" shall be deemed to refer to any agent acting on behalf of the banks.

"Bank Bond Term Date" means with respect to Bonds that are Bank Bonds, that date which is the earlier of the Stated Expiration Date, the Purchase Termination Date or the Series Purchase Termination Date.

"Bank Bonds" means any Bond while in any Rate Period other than Fixed Rate or Auction Rate, purchased by the Bank with the proceeds of a drawing under and in accordance with the provisions of a Standby Bond Purchase Agreement pursuant to Section 8.03(b)(2) of the Indenture, and which are held by a Bank or such other Person to whom such Bank Bonds are sold as authorized by a Standby Bond Purchase Agreement other than pursuant to a remarketing thereof in accordance with Section 4.03(b) of the Indenture; provided, however, any such Bonds shall cease to be Bank Bonds upon the earlier of the purchase thereof pursuant to a successful remarketing of such Bonds pursuant to Section 4.03(b) of the Indenture or the effective date of such Bondholder's election to retain such Bonds as set forth in Section 2.05(e) of the Indenture.

"Bank Rate" means the Bank Rate as defined in the Standby Bond Purchase Agreement, which rate shall not be in excess of the Maximum Lawful Rate.

"BMA Index" means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Bond Market Association ("BMA") or any person acting in cooperation with or under the sponsorship of BMA and acceptable to the Market Agent and effective from such date.

"Bonds" means the Lessor's Public Facility Lease Revenue Bonds, Series 200_ issued pursuant to the Indenture, as supplemented by any supplemental indenture.

"Bond Fund" means the fund established under Section 7.02 of the Indenture.

"Bond Insurance" means the municipal bond insurance policy issued by the Bond Insurer guaranteeing the timely payment of principal of and interest on the Bonds.

"Bond Insurer" means _____, a _____ insurance company and any other issuer of a municipal bond insurance policy guaranteeing the timely payment of principal of and interest on the Bonds which issuer has a claims paying ability rated in the highest rating category by any one Rating Agency.

"Bond Purchase Fund" means the fund created under Section 8.01 of the Indenture.

"Bond Proceeds" means the proceeds from the sale of the Bonds described in Section 2.02 hereof.

"Building" shall mean the civic arts center to be built on the Land in accordance with the Plans and Specifications.

"Broker-Dealer" means Morgan Keegan & Company, Inc., or any other broker or dealer (each as defined in the Securities Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures which (i) is a participant in or member of the Securities Depository as determined by the rules or bylaws of the Securities Depository (or an affiliate of such a participant or member), (ii) has been appointed as such by the Administrator on behalf of the Lessor pursuant to Section 3.07 of this Indenture with respect to Bonds that are ARS Bonds, and (iii) has entered into a Broker-Dealer Agreement that is in effect on the date of reference. When used herein at a time when more than one Broker-Dealer is acting under the Indenture, the term "the Broker-Dealer" shall mean, as the context dictates, either all such Broker-Dealers collectively, or only each Broker-Dealer acting with respect to Bonds that are ARS Bonds.

"Business Day" means with respect to the Bonds (other than ARS Bonds in a seven-day Auction Period) any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in New York City or any other city where the principal United States office of the Bank, if any, the Bond Insurer, if any, the Trustee, the Remarketing Agent, if any, the Auction Agent, if any, the Market Agent, if any, or the Broker-Dealer, if any, is located are required or authorized by law (including executive order) to close or on which the principal United States office of the Bank, the Bond Insurer, the Trustee, the Remarketing Agent, the Auction Agent, the Market Agent, or the Broker-Dealer is closed for a reason not related to financial condition, or (c) a day on which The New York Stock Exchange is closed; and for any ARS Bonds in a seven-day Auction Period, any day other than April 14, April 15, December 30, December 31, and such other dates as may be agreed to in writing by the Market Agent, the Auction Agent, and the Broker-Dealer, or a Saturday, Sunday, holiday or day on which banks located in New York City or the New York Stock Exchange, the payment office or principal office of the Trustee or of the Auction Agent, are authorized or permitted by law to close; provided that in this definition, the references to the Bank, the Bond Insurer, the Remarketing Agent, the Auction Agent, the Market Agent, and the Broker-Dealer shall be ignored where not applicable to the Bonds.

"Calculation Period" means, during any Commercial Paper Period for the Bonds, any period or periods comprised of up to 270 days established with respect to the Bonds pursuant to Section 2.05(d) of the Indenture.

"Closing Date" means the date of issuance and delivery of the Bonds which shall be the Issue Date of this Agreement.

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

"College" shall mean Maryville College, a Tennessee nonprofit corporation.

"Commercial Paper Period" means, with respect to the Bonds, any period where one or more Calculation Periods have been established pursuant to Section 2.05(d) of the Indenture during each of which a Commercial Paper Rate shall apply to the Bonds that are subject to such Calculation Period.

"Commercial Paper Rate" means for any Calculation Period for a Bond or Bonds during a Commercial Paper Period for the Bonds the interest rate borne by the Bonds during such Calculation Period established pursuant to Section 2.05(d) of the Indenture.

"Completion Date" shall mean the date of completion of the construction of the Building as the date shall be certified as provided in Section __ hereof.

"Computation Date" means any Installment Computation Date and the Final Computation Date.

"Construction Period" shall mean the period between the beginning of construction of the Project or the Issue Date (whichever is earlier) and the Completion Date.

"Conversion Date" means the date on which the interest rate on the Bonds is converted from one type of Rate Period to another type of Rate Period.

"Cost" or "Cost of the Project" means:

(a) The cost of acquiring, constructing, equipping and financing the Project, including refunding outstanding obligations of the Lessees and of the Lessor or of any other public building Lessor created under the Act, or any combination of such purposes, demolishing structures on the Project site, and acquiring sites or estates therein and easements necessary or convenient for the Project;

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

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

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

(e) Expenses of administration, supervision and inspection properly chargeable to the Project, including the fees of the Lessees relating to the design, construction and equipping of the Project

and all other items of expense, not elsewhere specified herein incident to the construction, installation and placing in operation of the Project;

(f) Fees and expenses incurred in connection with the issuance and administration of the Bonds and this Agreement, including but not limited to, fees and expenses of the underwriter for the Bonds and its counsel, the Bank and its counsel, the Lessor and its counsel, Bond Counsel, the Trustee and its counsel, the Lessees's counsel, Bond Insurance premium, counsel to the Bond Insurer, printing costs and rating fees;

(g) Interest on the Bonds during the construction and installation of the Project and for up to six (6) months thereafter; and

(h) Any other cost of the Project permitted to be financed pursuant to the Act.

"Daily Period" means, with respect to Bonds, any period from and commencing on any Business Day through but not including the next succeeding Business Day during which a Daily Rate will apply to the Bonds.

"Daily Rate" means the interest rate from time to time in effect for the Bonds during any Daily Period, as such rate is determined in accordance with Section 2.05(b) of the Indenture.

"Development and Operation Agreement" means the Agreement with respect to the Development and Operation of a Civic Arts Center among Lessor, Lessees and the college dated as of the date hereof.

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

"Excess Interest" with respect to Bank Bonds shall have the meaning assigned to such term in the Standby Bond Purchase Agreement.

"Favorable Opinion of Bond Counsel" means with respect to any action relating to the Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel to the effect that such action is permitted under the Indenture and will not impair the exclusion of interest on the Bonds of such Series for gross income for purposes of federal income taxation (if applicable).

"Final Computation Date" means the date the last Bond is paid in full.

"Final Excess Interest Amount" means a fee payable under a Standby Bond Purchase Agreement in connection with the Bonds representing interest borne by Bank Bonds at a rate not in excess of the Maximum Lawful Rate calculated as set forth in the Standby Bond Purchase Agreement, which amount has been deferred and not paid as of the date such Bank Bonds are remarketed and which is payable by a Lessees under this Bond Proceeds Agreement as an Additional Payment.

"Fixed Rate" means the interest rate in effect on the Bonds during the Fixed Period, as such rate is determined in accordance with Sections 2.05 and 2.07 of the Indenture.

"Fixed Period" means, in the event of a Conversion to the Fixed Rate, the period from and including the Conversion Date to and including the date of the payment in full of the Bonds.

"Governing Bodies" shall mean the Board of County Commissioners of Blount County, Tennessee, the City Council of the City of Maryville, Tennessee, and the City Council of the City of Alcoa, Tennessee.

"Government Obligations" means any of the following, which at the time of investment are authorized pursuant to State law: (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in (ii)); or (ii) direct obligations (including issued or held in book entry form on the books of the Department of the Treasury) of the United States of America, or (iii) Senior debt obligations of other agencies sponsored by the United States government and approved by _____.

"Guaranty Agreement" shall mean any Guaranty Agreement between the Lessor and the Bond Insurer whereby the Lessor agrees to reimburse the Bond Insurer from payments made under this Agreement for all amounts advanced by the Bond Insurer under the Surety Bond, together with interest thereon, as more fully set forth therein.

"Indenture" means the Indenture of Trust, dated as of _____ 1, 200_, as supplemented by the Supplemental Indenture of Trust, dated as of _____ 1, 200_, as from time to time further supplemented and amended, by and between the Lessor and the Trustee.

"Index" means on any date of determination, the BMA Index or, if such rate is not available, the Index so determined by the Market Agent which shall equal the prevailing rate for bonds rated in the highest short-term rating category by Moody's and S&P that are subject to tender by the holders thereof for purchase on not more than seven days notice and the interest on which is (i) variable on a weekly basis, (ii) excludable from gross income for federal income tax purposes under the Code, and (iii) not subject to an "alternative minimum tax" or similar tax under the Code, unless all tax-exempt bonds are subject to such tax.

"Initial Market Agent" means Morgan Keegan & Company, Inc., its successors and assigns.

"Installment Computation Date" means the fifth anniversary of the issue date of the Bonds and each fifth anniversary of such date.

"Interest Payment Date" means (a) during any Commercial Paper Period, the first day after the end of any Calculation Period (but only with respect to the Bonds to which such Calculation Period relates), any Conversion Date for the Bonds and the Maturity of the Bonds, (b) during any Daily Period, Weekly Period and Short-Term Period, the first day of each March, June, September and December, any Conversion Date, any Period Adjustment Date and the Maturity of the Bonds and with respect to the Short-Term Period, any Period Adjustment Date, (c) during any Medium-Term Period, the first day of each June and December, any Conversion Date, any Optional Tender Date (if applicable), any Period Adjustment Date and the Maturity of the Bonds, (d) during any Fixed Period, the first day of each June and December, and the Maturity of the Bonds, (e) with respect to any Bank Bond, the day such Bond is purchased by the Bank, the first Business Day of each month commencing on the first such date to occur after the Bond is purchased by the Bank, the date such Bank Bond is remarketed by the Remarketing Agent pursuant to Section 4.03(c) of the Indenture, and upon the date of Maturity of such Bank Bond; provided, however, if such scheduled Interest Payment Date is not a Business Day, then such interest shall be payable on the next succeeding Business Day calculated as though paid on the scheduled Interest Payment Date (other than with respect to Bank Bonds for which interest shall be calculated to the date of actual payment), and (f) with respect to the Bonds which are ARS Bonds, each ARS Interest Payment Date.

"Lessees" means Blount County, Tennessee, the City of Maryville, Tennessee and the City of Alcoa, Tennessee.

"Lessee Request", "Lessees Order" and "Lessees Consent" means, respectively, a written request, order or consent signed by an Authorized Lessee Representative and delivered to the Trustee.

"Lessor" means The Industrial Development Board of Blount County, Tennessee, and any successor to its functions hereunder.

"Market Agent Agreement" means the Market Agent Agreement dated as of _____ 1, 200_ between the Trustee and the Market Agent and each substitute and additional Market Agent Agreement, in each case as from time to time in effect.

"Maturity" means the earliest of (i) the Stated Maturity of the Bonds, (ii) the date of mandatory redemption of such Bonds pursuant to the terms of the Indenture, the Supplemental Indenture or Standby Bond Purchase Agreement (if any) relating to the Bonds, and (iii) the date on which the principal of such Bonds otherwise becomes due and payable.

"Maximum Rate" means (unless otherwise approved by the Bond Insurer) with respect to the Bonds (other than Bonds that are ARS Bonds and Bank Bonds), the lesser of (i) _____ percent (___%) per annum (or such lesser rate as may be stipulated in the Supplemental Indenture for the Bonds for the period from and including the dated date of the Bonds, to the day next preceding the first Interest Payment Date for the Bonds) and (ii) the Maximum Lawful Rate, and with respect to Bonds that are ARS Bonds, the ARS Maximum Rate which shall not exceed the Maximum Lawful Rate in effect and applicable from time to time.

"Maximum Lawful Rate" means the highest interest rate that may be borne by the Bonds in effect and applicable from time to time under applicable law. Bank Bonds and ARS Bonds shall not bear interest in excess of the Maximum Lawful Rate.

"Medium-Term Period" means any period of time that ends on a specified date that is the last day of any calendar month that is an integral multiple of twelve (12) months from the beginning of the Medium-Term Period, or ends on the Optional Tender Date (if applicable) or upon the Maturity as directed by the Lessees with respect to the Bonds pursuant to Section 2.06 or 2.07 of the Indenture, commencing on the Conversion Date or the Period Adjustment Date during which period a Medium-Term Rate shall apply to the Bonds.

"Medium-Term Rate" means the interest rate or rates from time to time in effect for the Bonds during any Medium-Term Period, as such rate or rates is determined in accordance with Section 2.05(c) of the Indenture.

"Optional Prepayment Price" means the amount determined pursuant to the provisions of Section 6.02 hereof payable by the Lessees in order to prepay in whole or in part its Rent Payments.

"Optional Tender Date" means (i) during any Short-Term Period, any Interest Payment Date, (ii) during any Daily Period, any Business Day on which the Remarketing Agent and the Trustee receive an Optional Tender Notice, provided that if the Optional Tender Notice is received after 11:00 a.m. Eastern Time, the immediately following Business Day, and (iii) during any Weekly Period or, if so elected by the related Lessees pursuant to Section 2.06(f) hereof, any Medium-Term Period, the seventh day (unless such day is not a Business Day, in which case the next succeeding Business Day) following receipt by the Remarketing Agent and the Trustee of notice from the Holder that such Holder has elected to tender bonds.

"Outstanding", when used with respect to the Bonds, means as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the registered owners of the Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

"Outstanding Bond Proceeds Amount" means the original principal amount of the Bond Proceeds authorized under this Agreement, less repayments of such principal amount.

"Period Adjustment Date" means the first day of each Short-Term Period or Medium-Term Period for such Series that has a duration different from the preceding Short-Term Period or Medium-Term Period, respectively.

"Plans and Specifications" means the plans and specifications for the construction of the Building prepared by or for the Lessees together with any addenda thereto and modifications thereof.

"Prepayment Date" means the date on which the Lessees are required to deposit the Optional Prepayment Price with the Trustee pursuant to Section 6.05 hereof, which day may be any Business Day.

"Project" means the acquisition, construction and equipping of a civic arts center; (ii) acquisition of all property, real and personal, appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iv) reimbursement for prior expenditures for the foregoing; and (v) payment of capitalized interest during construction and for up to six months thereafter.

"Project Fund" means the fund established under Section 7.04 of the Indenture.

"Purchase Termination Date" means, with respect to any Standby Bond Purchase Agreement and all Series of Bonds covered thereby, the date on which the Bank's obligation to purchase Bonds of such Series of Bonds tendered for purchase is terminated as set forth in such Standby Bond Purchase Agreement.

"Rate Period" or "Rate Periods" means any of the Daily Period, the Commercial Paper Period, the Weekly Period, the Short-Term Period, the Medium-Term Period, the Fixed Period, and the ARS Interest Rate Period.

"Rebate Amount" means 100% of the amount owed to the United States under Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations issued thereunder.

"Rebate Analyst" means an independent, certified public accountant, accountant, financial analyst, Bond Counsel, or any firm of the foregoing, or any financial institution which is experienced in making the rebate calculations required to be made for the purposes of Section 3.08, and which in each case is retained by the Administrator to make such calculations.

"Remarketing Agent" means, initially, Morgan Keegan & Company, Inc., or any successor Remarketing Agent appointed and serving in such capacity pursuant to the Indenture.

"Remarketing Agreement" means the Remarketing Agreement dated as of _____ 1, 200_, between the Lessor and the Remarketing Agent, providing for the remarketing of the Bonds tendered pursuant to Article IV of the Indenture while bearing interest at other than the Fixed Rate and Auction Rate, and all modifications, alterations, amendments and supplements thereto and any agreement between the Lessor and any successor Remarketing Agent appointed pursuant to the Indenture.

"Rent Payments" means the payments of principal of and interest on the Bond Proceeds, Additional Rent and any other amounts payable by the Lessees hereunder.

"Rent Payment Date" means, with (a) respect to that portion of Rent Payments attributable to interest on the Bonds, (i) the first day after the end of any Calculation Period, while the Bonds are in the Commercial Paper Period, five days prior to any Conversion Date and five days prior to Maturity, (ii) the twenty-fifth day of February, May, August and November of each year during the term hereof, five days prior to any Conversion Date and five days prior to the Maturity while the Bonds are in the ARS Interest Rate Period, the Daily Period, the Weekly Period and the Short-Term Period (and five days prior to the Period Adjustment Date during the Short-Term Period), (iii) the twenty-fifth day of May and November, five days prior to a Conversion Date and any Period Adjustment Date, on any Optional Tender Date and five days prior to the stated Maturity of the Bonds if the Bonds are in the Medium-Term Period; (iv) the twenty-fifth day of May and November, and five days prior to the Stated Maturity of the Bonds, if the Bonds are in the Fixed Period, (v) if any Bond shall be a Bank Bond, the day such Bond is purchased by the Bank, the twenty-fifth day of each month commencing on the first such date to occur after such Bond is purchased by the Bank, the day such Bank Bond is remarketed by the Remarketing Agent and the date of Maturity of such Bond (or on such other dates set forth in the Standby Bond Purchase Agreement); (b) with respect to that portion of Rent Payments attributable to principal on the Bonds, (i) on the 25th day of May of ____ through ____, inclusive; or (ii) if such Bonds are Bank Bonds subject to term repayment under the Standby Bond Purchase Agreement, on the dates set forth in Section 3.04(e) hereof; and, (c) with respect to that portion of Rent Payments consisting of Additional Rent, other than certain payments under the Standby Bond Purchase Agreement, if any, and Rebate Amounts, if any, the twenty-fifth day of February, May, August and November of each year during the term hereof commencing on the twenty-fifth day of _____, ____; (ii) any amount determined to be an increased cost or a Final Excess Interest Amount under the Standby Bond Purchase Agreement and any other amounts due under the Standby Bond Purchase Agreement shall be payable on demand as provided therein; and (iii) any Rebate Amount shall be payable on demand.

"Series Purchase Termination Date" means with respect to any Standby Bond Purchase Agreement, any event specified therein which permits a Bank to terminate its obligation to purchase the Bonds covered thereunder tendered for purchase as set forth in a related Standby Bond Purchase Agreement.

"Short-Term Period" means (a) any period of time of one calendar month's duration, provided that the period commences on the first day of each calendar month and terminates on the last day of such calendar month, (b) any period of time of three calendar months' duration, provided that the period commences on the first day of a calendar month and terminates on the last day of the immediately succeeding third calendar month, and (c) any period of time of six calendar months' duration, provided that the period commences on the first day of a calendar month and terminates on the last day of the immediately succeeding sixth calendar month during which period a Short-Term Rate shall apply to the Bonds.

"Short-Term Rate" means the interest rate from time to time in effect for the Bonds during any Short-Term Period as such rate is determined in accordance with Section 2.05(b) of the Indenture.

"Standby Bond Purchase Agreement" means any standby bond purchase agreement, including any renewals or extensions thereof and any amendments, modifications and supplements thereto, or any other agreement in replacement thereof or in addition thereto from time to time entered into by the Lessor with a Bank (including any successor issuer or additional issuer of a Standby Bond Purchase Agreement) in which such Bank agrees, subject to certain terms and conditions, to purchase the Bonds which the Remarketing Agent is unable to remarket and shall be in an amount equal to the outstanding principal amount of the Series of Bonds covered thereby, plus interest on such Series of Bonds in an amount equal to the Maximum Rate for a period of time required by any Rating Agency providing a rating on such Series of Bonds as such amount may be amended from time to time.

"Stated Expiration Date" means, with respect to the Standby Bond Purchase Agreement, the date upon which the Bank's obligation to purchase Bonds, if covered thereunder, is scheduled to expire, as such date may be extended from time to time.

"Statutory Corporate Tax Rate" means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of every corporation as set forth in section 11 of the Code or any successor section, without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year. The Statutory Corporate Tax Rate as of the date of this Indenture is 35%.

"Surety Bond" means any financial guaranty insurance policy, surety bond or other similar instrument issued to the Trustee by the Bond Insurer guaranteeing the Lessees's obligation to pay certain Additional Rent.

"Swap Agreement" means a written agreement between the Lessor and a Swap Counterparty with respect to all or a portion of the Bonds approved as to form and substance by the Bond Insurer whereby the Lessor is entitled to receive Swap Receipts and Termination Payments from the Swap Counterparty and is obligated to pay Swap Payments and Termination Payments to the Swap Counterparty with respect to all or a portion of the Bonds.

"Swap Counterparty" means one or more financial institutions (including an entity related to the Bond Insurer or a Bank) approved in writing by the Bond Insurer whose debt or claims-paying ability is rated or is guaranteed by, or insured or collateralized by an entity whose debt or claims-paying ability is rated "A" or better by S&P, Moody's, or Fitch on the date a Swap Agreement is executed by the Lessor and a Swap Counterparty.

"Swap Payments" means amounts payable to the Swap Counterparty under the Swap Agreement computed in accordance therewith as the amount of interest accruing at the Swap Rate on a notional principal amount, net of amounts payable by the Swap Counterparty under the Swap Agreement and excluding any Termination Payments.

"Swap Rate" means the interest rate set forth in or determined pursuant to the Swap Agreement (which rate shall not exceed the Maximum Lawful Rate) applied to a notional principal amount to compute Swap Payments under the Swap Agreement.

"Swap Receipts" means the amounts payable by the Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Swap Agreement, net of amounts payable by the Lessor thereunder and including any Termination Payments.

"Termination Payment" means an amount payable by the Lessor to a Swap Counterparty from Additional Rent made by a Lessees under a Bond Proceeds Agreement or by the Swap Counterparty to the Lessor upon termination of a Swap Agreement, as the case may be.

"Trustee" means Regions Bank, an Alabama banking corporation, Nashville, Tennessee, and any successor trustee under the Indenture, acting as paying agent, bond registrar, tender agent, and trustee.

"Weekly Period" means any period from and commencing on any Thursday and with respect to the Bonds, while bearing interest at the Weekly Rate, on the Closing Date (or in certain circumstances on a Conversion Date from a Daily Rate, Commercial Paper Rate, Short-Term Rate or Medium-Term Rate to a Weekly Rate) and including and ending on the earliest of (a) the next succeeding Wednesday, (b) a Conversion Date, or (c) the Maturity of the Bonds during which period a Weekly Rate shall apply to the Bonds.

"Weekly Rate" means the interest rate from time to time in effect for the Bonds during any Weekly Period, as such rate is determined in accordance with Section 2.05(b) of the Indenture.

ARTICLE II **Interpretation**

Section 2.01. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond", "holder", and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate.

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

ARTICLE III **Commencement and Completion of the Project;** **Issuance of the Bonds; Use of Project**

Section 3.01. Agreement to Construct the Building. Subject to the provisions of Section 2.05 hereof the Lessor agrees that:

(a) It will enter into a lease with the College whereby the Lessor will lease the Land for a term of ___ years.

(b) It will cause the Building and any related facilities to be constructed on the Land in accordance with the Plans and Specifications.

(c) It will cause the Equipment to be acquired and installed in the Building or elsewhere on the Land, the specific items of Equipment to be designated by the College.

Section 3.02. Issuance of the Bonds.

(a) In order to accomplish the construction of the Building and the acquisition of the Equipment provided for in Section 2.01 hereof, the Lessor agrees that it will sell and cause to be delivered to the purchasers thereof the Series 2005 Bonds in the aggregate principal amount of \$_____. The Bonds shall be initially issued as bonds bearing interest at the _____ Rate in the _____ Rate Period determined as provided in Section 2.05 of the Indenture. The Lessor will cause the proceeds received from the sale of the Bonds to be deposited with the Trustee in the Project Fund pursuant to Section 7.05 of the Indenture, to the Cost of Issuance Fund pursuant to Section 7.10 of the Indenture, any capitalized interest to the Interest Account and prepaid fees to the Additional Rent Account. Disbursement of funds upon initial requisition by the Lessor from the Cost of Issuance Fund for the payment of costs of issuance of the Bonds and costs related to this Agreement are hereby approved. The Lessor agrees that the Bonds may be converted from one Rate Period to any other Rate Period as directed by an Authorized Lessee Representative pursuant to Article II of the Indenture.

(a) The liability of the Lessor under the Bonds shall be enforceable only to the extent of its rights under this Agreement or any amendment or supplement hereto. The Bonds shall be payable solely from payments made by or on behalf of the Lessees to the Trustee pursuant to the terms of this Agreement.

Section 3.03. Deposit of Bond Proceeds. Upon the sale and delivery of the Bonds, deposit of the proceeds thereof to the appropriate Accounts as above provided, and receipt by the Trustee, the Bond Insurer, if applicable, and the Bank, if applicable, of the submissions required upon the issuance of a Series of Bonds under Section 2.02(c) of the Indenture and pursuant to the Standby Bond Purchase Agreement, if applicable, and receipt by the Trustee, with respect to each disbursement of Project Funds, of a requisition for funds conforming to the requirements of Section 3.05 hereof, the proceeds of the Bonds will be disbursed to or at the direction of Lessor in the amount of \$_____ in the manner hereinafter set forth. Proceeds of the Bonds deposited to the Project Fund and any other funds so deposited shall be and remain funds of the Lessor for so long as they are in the Project Fund.

Section 3.04. Use of Proceeds by the Lessees. The Lessees will use the funds disbursed to them by the Lessor pursuant to Section 2.02 hereof solely to pay the Cost of the Project.

Section 3.05. Disbursement of Bond Proceeds Proceeds. Pursuant to Section 7.06 of the Indenture, the Lessor has authorized and directed the Trustee to use the moneys in the Project Fund solely to pay the Cost of the Project, and the reimbursement of Lessor or the College for advances and payments made or costs incurred by the Lessor on the College for or in connection with the Project. The Lessor shall cause funds to be disbursed by the Trustee from the Project Fund only upon receipt by the Trustee of a requisition, appropriately completed and signed by an Authorized Lessee Representative in the form attached hereto as Exhibit __. The initial requisition on the Closing Date shall be made by the Chairman of the Lessor and shall be in an amount sufficient to pay costs of issuance of the Bonds and of the execution and delivery of this Agreement. All disbursements shall be made only on the Closing Date and

on the second Tuesday of the month or the first Business Day thereafter in accordance with Sections 7.06, 7.07 and 7.08 of the Indenture. In making any such payment from the Project Fund, the Trustee may rely on a requisition delivered to it pursuant to this Section, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such requisitions without inspection of the Project or any other investigation.

Section 3.06. Completion of the Project. Upon completion of the Project, Lsesor shall cause to be submitted to the Trustee and the Lessees, in addition to the requisition required by Section 3.05 hereof, a certificate signed by an Authorized Lessor Representative in the form attached hereto as Exhibit A. Said certificate shall state that no further funds will be withdrawn from the Project Fund to pay the Cost of the Project. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. All moneys remaining in the Project Fund upon the filing of the certificate described in this Section, including investment earnings thereon, shall be deposited in the Principal Account of the Bond Fund and applied by the Trustee to the redemption of the Bonds on the first redemption date occurring after such completion, at the applicable optional or mandatory redemption price, and/or shall be deposited in the Interest Account of the Bond Fund and applied by the Trustee to the payment of interest on the Bonds on the next Interest Payment Date. The Lessor does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions of this Agreement, will be available for payment of the Cost of the Project, will be sufficient to pay all of the Cost of the Project.

Section 3.07. Investment of Funds; Application of Investment Earnings. Any moneys held by the Trustee in the Project Fund shall be invested or reinvested by the Trustee in Authorized Investments at the direction of the Administrator. Except as otherwise set forth below, all earnings accruing on funds in the Project Fund shall be credited by the Trustee on the 25th day of February, May, August and November, first to the Interest Account in the Bond Account of the Bond Fund in an amount, which when combined with all other amounts then held therein, does not exceed interest accruing on the Bonds on the next succeeding Interest Payment Date computed in accordance with Section 3.04 hereof and then to the Additional Rent Account of the Bond Account of the Bond Fund, provided the amount to be credited to said Accounts on the 25th day of May of each year shall not exceed the amount which when combined with all other amounts then held in said Accounts does not exceed the amount needed to pay principal of and interest on the Bonds on the next Interest Payment Date, and excess earnings not so credited shall be retained in the Project Fund and credited to the Interest Account on the last day of the following August.

At the written direction of an Authorized Lessee Representative to both the Trustee and the Administrator, all or a portion of the earnings accruing on funds in the Project Fund shall be retained in the Project Fund or transferred to the Cost of Issuance Fund to be used to pay Costs of the Project and costs of issuance of the Bonds to the extent not paid on the Closing Date, and to the extent so retained shall not be transferred to the Interest Account of the Bond Account in the Bond Fund.

Any such excess earnings in the Bond Account in the Rebate Fund shall be transferred either to the Interest Account of the Bond Account of the Bond Fund or retained in the Lessee Account of the Project Fund if so directed by an Authorized Lessee Representative. All income derived from the investment of moneys on deposit in the Principal Account, Interest Account and Additional Rent Account of the Bond Account of the Bond Fund shall be credited to the Additional Rent Account of the Bond Account of the Bond Fund and applied to the payment of Additional Rent next due. To the extent amounts on deposit in the Additional Rent Account exceed the Additional Rent next coming due, such excess amounts may be transferred to the Interest and/or Principal Account.

Section 3.08. Interest Rate Conversions. Effective on any Adjustment Date for a Daily Period, Weekly Period, Short-Term Period and a Medium-Term Period, any Interest Payment Date for all Bonds in a Commercial Paper Period, and any ARS Interest Payment Date for ARS Bonds, the Lessees shall have the right and option, with the written approval of the Administrator on behalf of the Lessor and the Remarketing Agent, to convert the Bonds to a different Rate Period (other than to an ARS Interest Rate Period) as provided in Section 2.06 of the Indenture and to an ARS Interest Rate Period as provided in Section 3.11 of the Indenture, or, with the written approval of the Administrator on behalf of the Lessor and the Remarketing Agent, on any Adjustment Date to change the duration of the Short-Term Rate Period or Medium-Term Rate Period for the Bonds, as provided in Section 2.07 of the Indenture. The exercise of the option to convert to a different Rate Period or change the duration of a Short-Term Period or Medium-Term Period shall be by delivery of a Lessee Request to the Administrator on behalf of the Lessor and the Trustee, and such other parties named in the Indenture, at the times and in the manner set forth in the Indenture. In the event of a Failed Conversion or optional tender for purchase by a Holder of a Bond in the Medium-Term Period, the Rate Period shall be the Daily Period or the Weekly Period as determined in the sole judgment of the Remarketing Agent to result in the lowest interest cost to the Lessees. In the event of a Failed Conversion from an ARS Interest Rate Period to another Rate Period, the Rate Period shall remain the ARS Interest Rate Period and the ARS Bonds shall bear interest at the ARS Maximum Rate.

Section 3.09. Tax Status of the Bonds. It is the intention of the parties hereto that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes, and to that end the Lessees hereby represents, warrants and agrees as follows:

- (a) The Lessees shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or otherwise cause interest on the Bonds to be includable in the gross income of the registered owners thereof for federal income tax purposes under existing statutes. Without limiting the generality of the foregoing, the Lessees, on behalf of the Lessor, shall comply with any provision of the law which may require the Lessor at any time to make rebate payments to the United States of any part of the earnings derived from the investment of the gross proceeds of the Bonds.
- (b) The Lessees shall not permit the proceeds of the Bonds to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility (other than an output facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance Bond Proceeds to any persons other than a governmental unit as provided in Section 141(c) of the Code; or (d) the payment of principal of, or interest on more than 10% of the proceeds of the Bonds (under the terms of the Bonds or any underlying arrangement) directly or indirectly (A) secured by any interest in (1) property used or to be used for private business use or (2) payments in receipt of such property or (B) derived from payments (whether or not to the Lessees) in respect of property, or borrowed money, used or to be used for a private business use, provided, however, that if the Lessees receive a Favorable Opinion that any such covenant need not be complied with to prevent the interest on the Bonds from being includable in the gross income of the registered owners thereof for federal income tax purposes under existing statutes, the Lessees need not comply with such covenants.

- (c) Neither the obligations of the Lessees under this Agreement nor the Bonds are or will be "federally guaranteed", as defined in Section 149(b) of the Code.

Section 3.10. Rights of the Bond Insurer.

(a) While the Bond Insurance is in effect, the Lessees or the Trustee, as appropriate, shall furnish to the Bond Insurer;

- (i) a copy of the annual audited financial statements and annual budget of the Lessees, to be furnished within thirty (30) days of their release by the Lessees;
- (ii) a copy of any notice to be given to the registered owners of the Bonds, or any of them, including, without limitation, notice of any redemption of or defeasance of all or any portion of the Bonds, and any certificate rendered pursuant to the Indenture relating to the security for the Bonds; and
- (iii) such additional information as the Bond Insurer shall reasonably request.

(b) The Trustee or the Lessees, as appropriate, shall notify the Bond Insurer of any failure of the Lessees to provide relevant notices, certificates, or other information required to be provided under the Indenture or this Agreement provided that the Trustee shall be required to give notice of any such failure only if it has actual knowledge of such failure.

(c) The Lessees will permit the Bond Insurer to discuss the affairs, finances and accounts of the Lessees or any information Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Lessees. The Trustee or the Lessees, as appropriate, will permit the Bond Insurer to have access to the Project and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Agreement or the Indenture to the contrary, the Trustee shall immediately notify the Bond Insurer on any Rent Payment Date if there are insufficient moneys to make any payment of principal of or interest on the Bonds or any Additional Rent when and as required by this Agreement or the Indenture or upon the occurrence of any Event of Default under the Indenture or this Agreement provided that the Trustee shall be required to give such notice only if it has actual knowledge of such Event of Default.

ARTICLE IV
Payment Obligations of Lessees

Section 4.01. Basic Rent. Notwithstanding any other provision of this Agreement, the Lessees agree to pay to the Trustee, for the account of the Lessor, (i) an amount equal to the aggregate principal amount of the Bonds, (ii) as interest on its obligation to pay such amount, amounts equal to the interest on the Bonds (including interest at the Bank Rate and Excess Interest, if applicable, for any period during which such Bonds are Bank Bonds), and (iii) amounts equal to the Swap Payments due from time to time under the Swap Agreement, if any; such amounts to be paid in installments on each Rent Payment Date, without notice or demand, to be deposited by the Trustee to the Bond Fund to be applied to the payment of principal of and interest on the Bonds, whether at maturity or upon redemption, and to the payment of Swap Payments.

Section 4.02. Additional Rent. The Lessees agree to pay to the Trustee on the dates, in the manner and in the amounts set forth in Sections 3.03 and 3.04 hereof the following Additional Rent

(except that the payee of any such payment related to the making of the Bond Proceeds may require payment on the Closing Date of the Lease and provided that each reference to expenses set forth below shall include reasonable attorney fees and expenses):

- (a) The fees and expenses of and other amounts payable to a Bank, if applicable, under any Standby Bond Purchase Agreement relating to the Bonds, including, but not limited to, the Final Excess Interest Amount, if any.
- (b) The fees and expenses of the Remarketing Agent under the Remarketing Agreement, if applicable, relating to the Bonds.
- (c) The fees and expenses of the Trustee under the Indenture relating to the Bonds, including all expenses necessary to prepare notices of redemption or purchase of Bonds or to cancel and discharge the Indenture with respect to the Bonds.
- (d) The fees and expenses of the Bond Insurer, if any, under the Bond Insurance, if any, the Surety Bond, if any, and the Guaranty Agreement, if any, relating to the Bonds, together with all amounts payable by the Lessor under the Guaranty Agreement, if any.
- (e) Any expenses of the Lessor hereunder or under the Indenture relating to the Bonds.
- (f) The reasonable fees and expenses of the Administrator relating to the Bonds.
- (g) The fees and expenses of the Bond Counsel, the Underwriter and other costs of issuance relating to the Bonds.
- (h) Rating agency fees relating to the Bonds.
- (i) The reasonable fees and expenses of the Auction Agent, if any, the Broker-Dealer, if any, and the Market Agent, if any, relating to the Bonds.
- (j) Any amounts required to be paid to the U.S. Government as arbitrage rebate as determined pursuant to Section 148(f) of the Code with respect to the Bonds, payable on demand.
- (k) Any Termination Payments required to be paid by the Lessor under the Swap Agreement.
- (l) Such other reasonable fees and expenses relating to the Bonds, including, but not limited to, costs associated with any conversion, substitute Bond Insurance or substitute Standby Bond Purchase Agreement.

The Additional Rent payable hereunder will be computed and apportioned among the various Series of Bonds by the Administrator and submitted to the Trustee on each Closing Date, as applicable, and each Rent Payment Date, or otherwise when due, subject to periodic adjustment as needed. The Trustee shall not be responsible for the computation and allocation of any Additional Rent and shall be entitled to rely on the Administrator's computation and allocation unless contested in writing by the payee, the Bond Insurer, if any, or Lessees prior to the applicable Rent Payment Date. Additional Rent due hereunder, to the extent paid by the Bond Insurer pursuant to the Surety Bond, if any, remain due and payable under the Surety Bond at a rate equal to the lesser of the Maximum Lawful Rate or the rate of interest publicly announced from time to time by a bank named by the Bond Insurer as its Prime Rate, plus two percent

(2%). Upon payment by the Bond Insurer of Additional Rent, the Bond Insurer shall be fully subrogated to the Lessor's rights with respect thereto under this Agreement.

Section 4.03. Time and Manner of Payment. Lessees agree to make each of the Rent Payments directly to the Trustee for the account of the Lessor on or before each Rent Payment Date in lawful money of the United States of America by wire transfer of immediately available funds.

Section 4.04. Amount of Payment. The amount of each of the Rent Payments shall be computed as follows:

(a) (i) Subject to the provisions of subsection (v) below, with respect to the interest portion of each Rent Payment while the Bonds are in the Daily Rate Period and the Weekly Rate Period, the amount thereof shall be equal to the interest on the Bonds, as computed by the Trustee, at the Daily Rates or Weekly Rates in effect for the applicable Rent Payment computation period, which period shall commence on the later of the Closing Date, the Conversion Date to the Daily Rate or the Weekly Rate, or the first day of the quarter in which such Rent Payment is due to and ending on the last day of the quarter in which such Rent Payment is due.

(ii) Subject to the provisions of subsection (v) below, with respect to the interest portion of each Rent Payment while the Bonds are in the Short-Term Rate Period, the Medium-Term Rate Period and the Fixed Rate Period, the amount thereof shall be equal to the interest on the Bonds, as computed by the Trustee, at the Short-Term Rate, Medium-Term Rate or Fixed Rate in effect for the applicable Rent Payment computation period, which period shall commence on the Closing Date, Conversion Date to the Medium-Term Rate Period or Period Adjustment Date to another Medium-Term Rate Period or the Conversion Date to the Fixed Rate, as applicable, and end on the last day of such Rate Period.

(iii) Subject to the provisions of subsection (v) below, with respect to the interest portion of each Rent Payment while the Bonds are in the Commercial Paper Period, the amount shall be equal to the interest on the Bonds as computed by the Trustee at the Commercial Paper Rate in effect for the Calculation Period.

(iv) With respect to the interest portion of each Rent Payment while the Bonds are in the ARS Interest Rate Period, the amount shall be equal to the interest on the Bonds and the Auction Rate in effect during the Auction Period.

(v) The amount of interest which will accrue on the Bonds (the "Estimated Amount") (other than when ARS Bonds) for the period from and after the date the Trustee computes the Rent Payment to the end of the computation period for the payment of interest on the Bonds (the "Estimated Period") will be computed using an assumed interest rate equal to the rate in effect on the date of computation plus 150 basis points for the Estimated Period, and will be reduced by the amount by which the Estimated Amount for the Estimated Period on the prior Rent Payment Date exceeded the actual interest accrual during such period. With respect to the Bonds, while they are ARS Bonds in the seven-day Auction Period, the Administrator shall (i) estimate the interest due on the first Rent Payment Date and shall instruct the Trustee to deposit such amount to the Interest Account of the Bond Account of the Bond Fund on the Closing Date, and (ii) estimate the interest due on such Bonds (the "ARS Estimated Amount") for five seven-day periods based upon the Auction Rate in effect on the date of computation (the "ARS Estimated

Period"), plus 150 basis points and shall so notify the Trustee. The Lessees shall pay the ARS Estimated Amount on the initial Rent Payment Date and on each Rent Payment Date thereafter. Each successive Rent Payment will be reduced by the amount the prior Rent Payment exceeded the actual interest due on the Bonds.

- (b) With respect to the principal portion of each of the Rent Payments, the amount thereof shall be equal to next ensuing principal reduction requirement on the Bond Proceeds set forth on Exhibit C attached hereto, payable on the 25th day of May in the year of each principal reduction date shown on Exhibit C, unless the Bonds are Bank Bonds and the Bank Bond Term Date has occurred.
- (c) With respect to the Additional Rent portion of each of the Rent Payments, the amount thereof shall be computed, as provided in Section 3.02 hereof, for any period commencing on the Closing Date, applicable Conversion Date, or the Business Day on which an Additional Payment was last paid to and ending on the day next preceding the Business Day on which the Additional Payment is due.
- (d) If the Lessees have approved and the Lessor has executed and delivered a Swap Agreement, with respect to the Bonds in accordance with Section 2.02(h) of the Indenture, the Rent Payments shall include any Swap Payments to be made to the Swap Counterparty under the Swap Agreement. Any Swap Receipts received from the Swap Counterparty under the Swap Agreement shall be deposited as provided in Section 7.02 of the Indenture and applied to pay interest on the Bonds and otherwise as provided in the Indenture.
- (e) Under certain circumstances, including the failure of the Remarketing Agent to remarket tendered bonds in accordance with Section 4.03 of the Indenture and upon satisfaction of the conditions in a Standby Bond Purchase Agreement, if any, providing coverage for the Bonds, the Bonds will be purchased by a Bank pursuant to the terms of the Standby Bond Purchase Agreement. If the Bonds are purchased by the Bank under the Standby Bond Purchase Agreement, during the period they are held by the Bank as Bank Bonds they will bear interest calculated and payable as set forth in the Standby Bond Purchase Agreement (including interest at the Bank Rate and Excess Interest, if applicable) which will result in an increase in the amount of the Rent Payments. Upon the purchase of Bonds by a Bank under an applicable Standby Bond Purchase Agreement, the interest will continue to be payable on the Bonds as set forth in the Standby Bond Purchase Agreement on each Interest Payment Date for Bank Bonds using the Bank Rate, and the principal will be payable as provided in Section 3.04(b) above until the Bank Bond Term Date (which is a date on which the Standby Bond Purchase Agreement expires or terminates by its terms or as the result of certain events of termination defined in the Standby Bond Purchase Agreement), as such term is more specifically defined in the Indenture. With respect to the Bonds purchased by a Bank under a Standby Bond Purchase Agreement, from and after the Bank Bond Term Date; the Outstanding principal amount of Bank Bonds shall be payable over a term of six (6) years (or the remaining term of the Bonds, whichever is less) in approximately equal quarterly installments, commencing on the first Business Day in _____, _____, _____ or _____ occurring after the Bank Bond Term Date, and on the first Business Day of each _____, _____, _____ and _____ thereafter until the principal of and interest on all Bank Bonds have been paid in full, and on the final principal installment payment date the entire outstanding principal balance of and all accrued interest on all Bank Bonds shall be due and payable in full; provided that (1)

each installment of principal of the Bank Bonds shall be adjusted to an integral multiple of \$5,000 and scheduled in the Bank's discretion to provide approximately level aggregate annual principal payments during the course of such ____-year term and (2) in the Bank's discretion, if requested by the Lessor, one or more of the first three installments with respect to the Bank Bonds may be postponed and paid on a date determined by the Bank not later than the date the third such installment is due. Any amount received by the Bank pursuant to this section may, at the Bank's option, be applied to pay any interest on such Bank Bonds which is overdue as of the date of such receipt. The Lessees agree to make payments of principal with respect to the Bond Proceeds in equal quarterly installments in such amounts as will enable the Trustee to pay principal on the Bank Bonds in full as set forth above and as set forth in the Standby Bond Purchase Agreement. Notwithstanding the above, the time and amount of these payments may be revised by the Lessor with the consent of the Bond Insurer, the Bank and the Lessees upon receipt of an Opinion of Bond Counsel that such revised schedule of payments will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Prior to the Bank Bond Term Date, the Administrator shall provide to the Lessees, the Trustee, the Bond Insurer and the Bank an amortization schedule approved by the Bank implementing the provisions of this Subparagraph (e) relating to Rent Payments of the Bank Bonds and the Lessees will make all payments under this Subparagraph (e) in accordance with said schedule.

- (f) All portions of Rent Payments allocable to interest shall be reduced to the extent investment earnings on the Lessee Account of the Project Fund have been credited to the Interest Account on the Rent Payment Date as provided in and subject to the limitations of Section 2.06 hereof, and the Additional Rent shall be reduced to the extent of excess investment earnings on the Lessee Account of the Project Fund not credited to the Interest Account and investment earnings on the Interest Account, the Principal Account and the Additional Rent Account of the Bond Account of the Bond Fund which have been credited to the Additional Rent Account on the Rent Payment Date as provided in and subject to the limitations of Section 2.06 hereof; provided the amount of earnings accruing for credit to either of said accounts for the period from and after the date the Trustee computes a Rent Payment to the end of the period for which the computation is made will be computed using the interest rate on the investments as of the Adjustment Date immediately preceding the computation date as the interest rate for estimating the earnings, and will be increased by the amount by which the actual earnings during such period for the previous period exceeded the estimated amount for said period. If funds in the Lessee Account of the Project Fund are invested in investments bearing interest at a variable rate, then the interest rate used by the Trustee for estimating the estimated amount of earnings shall be a zero rate of interest from the date earnings on such investments were last credited to the Lessee Account of the Project Fund.
- (g) It is the intention of the Lessor and the Lessees that, notwithstanding any other provision of this Agreement, the Trustee, as assignee of the Lessor, shall receive funds from or on behalf of the Lessees in such amounts and at such times as, together with any Swap Receipts actually received by the Trustee under the Swap Agreement, will enable the Lessor to pay when due all obligations for the payment of principal of and premium, if any, and interest on the Bonds (including during any period that any Bonds are Bank Bonds), for the payment of all Swap Payments payable by the Lessor under the Swap Agreement and for payment of all Additional Rent payable by the Lessees. The Lessees shall have the right, on behalf of the Lessor, to enforce the payment and collection of Swap Receipts under a Swap Agreement for deposit with the Trustee. It is further

intended that the earnings on the Lessee Account of the Project Fund and the Interest Account and the Additional Rent Account of the Bond Account of the Bond Fund will be sufficient to pay the interest and Additional Payment components of the Rent Payments relating to the portion of the Bond Proceeds not disbursed from the Project Fund, subject to the limitations of Section 2.06 hereof. In the event said earnings are not sufficient to make such payments, the Lessees shall pay the deficiency in the manner and at the times required herein for Rent Payments in consideration for the agreement by the Lessor to continue to make the amounts therein available to be disbursed by the Lessor.

Section 4.05. Payments Assigned. It is understood and agreed that the rights of the Lessor under this Agreement (except its rights to indemnification, payment of expenses and receive notices), are assigned to the Trustee pursuant to the Indenture. The Lessees consent to such assignment, and agree to pay to the Trustee all amounts payable by the Lessees that are so assigned. All such assigned payments shall be made directly to the Trustee and shall be deposited as provided in the Indenture.

Section 4.06. Obligation of Lessees Unconditional. The obligation of the Lessees to make payments hereunder (including Additional Rent) and to perform and observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional until payment of all Lessees obligations hereunder, irrespective of any defense or any rights of setoff, recoupment or counterclaim which the Lessees might otherwise have against the Lessor, the Bond Insurer, the Bank or the Trustee. Until payment of all Lessees obligations hereunder, the Lessees shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of their other covenants, conditions and agreements hereunder for any cause, including without limitation failure of consideration, failure of title to any part or all of the Project, or commercial frustration of purpose, or any damage to or destruction or condemnation of all or any part of the Project, or any change in the tax or other laws of the United States of America, the State of Tennessee or any political subdivision of either, or any failure of the Lessor, the Bond Insurer, if any, the Bank, if any, the Trustee, the Remarketing Agent, if any, the Auction Agent, if any, the Broker-Dealer, if any, and the Market Agent, if any, to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with any document in connection with the financing of the Project. Nothing contained in this Section shall be construed to release the Lessor, the Trustee, the Remarketing Agent, the Auction Agent, the Broker-Dealer and the Market Agent from the performance of any of their respective obligations hereunder or under any documents related hereto, and in the event the Lessor, the Trustee, the Remarketing Agent, the Auction Agent, the Broker-Dealer and the Market Agent should fail to perform any such obligation the Lessees may institute such action as the Lessees may deem advisable to compel performance or recover damages for non-performance so long as such action is consistent with the preceding sentence.

Section 4.07. Pledge of Taxing Power. The Lessees covenant that they shall provide for the annual levy and collection of a tax on all taxable property within the Lessees sufficient to pay when due the annual amounts payable under this Agreement (including Additional Rent) as and when they become due and payable and to pay all other expenses of maintaining and operating the Project required to be paid by the Lessees under the terms of this Agreement. The tax to be levied pursuant to this Section shall be assessed, levied, collected and paid in like manner as other taxes of the Lessees. Such tax shall not be included within any statutory or other limitation of rate or amount for the Lessees but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law. To the extent other moneys are not available therefor, there shall be set aside by the Lessees from such tax levy in a special fund an amount sufficient for the payment of the amounts under this Agreement, and such fund shall be used exclusively for such purpose and shall not be used for any other purpose until the amounts payable hereunder have been paid in full. Notwithstanding the foregoing, the tax hereinabove described will not be required to be levied by

the Lessees or, if levied, may be proportionately reduced to the extent of payments derived by the Lessees from other funds appropriated by the governing bodies of the Lessees to the payment of the amounts described above from other revenues of the Lessees or from other sources available therefor. Notwithstanding the foregoing, the Lessees shall be unconditionally obligated to levy such tax and to pay, whether from the proceeds of such tax or from other funds, the amounts due hereunder.

Section 4.08. Rebate Covenants of Lessees.

(a) The Administrator, on behalf of the Lessor, shall retain a Rebate Analyst to determine on behalf of the Lessees the Rebate Amount as of each of the dates set forth in (b) and (c) below.

(b) The Lessees shall deliver to the Trustee the determination of the Rebate Amount in writing signed by an authorized official of the Lessees not later than fifty-eight (58) days after each Computation Date, provided, that if such fifty-eighty day after any Computation Date is not a Business Day, then not later than three (3) Business Days prior to such fifty-eighth day.

(c) Not later than fifty-eight (58) days following each Installment Computation Date, the Lessees shall deposit with the Trustee for deposit into the Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States with respect to such Installment Computation Date.

(d) Not later than fifty-eight (58) days following the Final Computation Date, the Lessees shall deposit with the Trustee for deposit into the Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States as of the Final Computation Date.

(e) The Lessees shall not make, or permit to be made, any payment, or agreement to pay, to a party other than the United States, any amount that is required to be paid to the United States by entering into a transaction that reduces the amount required to be paid pursuant to Section 148(f) of the Code because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Bonds not been relevant to either party (the failure to invest, or direct investment of, moneys that could be invested shall constitute an agreement to pay that results in such a smaller profit for the purposes of this subsection).

(f) The restrictions contained in the foregoing subsection (b) through (e) shall not apply to obligations the interest on which is exempt from gross income pursuant to Section 103(a) of the Code (other than obligations that constitute "specified private activity bonds" within the meaning of Section 57(a)(5)(C) of the Code), and any interest or other income from such obligations, or the sale thereof, shall not be included in any of the calculations or rebates required pursuant to such subsections.

(g) None of the foregoing provisions of this Section 3.08 need be observed, and, anything herein or in the Indenture to the contrary notwithstanding, this Section 3.08 may be amended, supplemented or terminated by the Lessor, the Trustee and the Lessees, (i) if the Administrator files a certificate with the Trustee stating that the rebate exceptions set forth in the Arbitrage Certificate of the Lessees have been fulfilled, (ii) if the Lessor receives an opinion of Bond Counsel, in form and substance satisfactory to the Trustee, that (I) the failure to observe such covenants or entering into such amendments or supplements, will not cause the Bonds to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation or (II) additional or different regulatory or statutory provisions must be complied with for the interest on the Bonds to remain excludable from gross income for federal income tax purposes.

ARTICLE V
Representations and Covenants

Section 5.01. Representations and Covenants of the Lessor. The Lessor makes the following representations and covenants as the basis for the undertakings on the part of the Lessees contained herein:

- (a) The Lessor is a public nonprofit corporation and a public instrumentality of Blount County, Tennessee, organized and existing pursuant to the Act. The Lessor is authorized to issue the Bonds in accordance with the Act and to use the proceeds thereof to provide funds for disbursing the Bond Proceeds.
- (b) The Lessor has complied with the provisions of the Act and has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder.
- (c) The Lessor is not in violation of any of the laws of the State of Tennessee which would affect its existence or its powers referred to in the preceding subsection (b).
- (d) By resolution duly adopted by the Board of Directors of the Lessor and in full force and effect on the date hereof, the Lessor has authorized the execution and delivery of the Indenture, this Agreement and the Bonds, the due performance of all obligations of the Lessor hereunder, under the Indenture and under the Bonds, and the taking of any and all actions as may be required on the part of the Lessor to carry out, give effect to and consummate the transactions contemplated by each of the foregoing, and the Lessor will take all actions within its reasonable control to obtain all approvals necessary in connection with the foregoing that have not been obtained as of the date hereof.
- (e) This Agreement has been duly authorized, executed and delivered by the Lessor, and upon due authorization, execution and delivery by the Lessees, will constitute a legal, valid and binding obligation of the Lessor. The Bonds will constitute legal, valid and binding limited special obligations of the Lessor and will be payable solely from the Trust Estate and any amounts otherwise available under the Indenture, and will be entitled to the benefit of the Indenture. None of the Lessor (except to the foregoing extent), Blount County, the State of Tennessee, or any political subdivision thereof shall be obligated, directly or (except as a Lessee from the Lessor) indirectly, to pay the principal of or premium, if any, or interest on the Bonds. The Lessor has no taxing power.
- (f) The execution and delivery by the Lessor of this Agreement, the Bonds, and the Indenture and the consummation of the transactions contemplated in each of the foregoing will not violate any indenture, mortgage, deed of trust, note, loan agreement or other contract or instrument to which the Lessor is a party or by which it is bound or, to the best of the Lessor's knowledge, any judgment, decree, order, statute, rule or regulation applicable to the Lessor, and the Lessor will take all actions within its reasonable control to obtain all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby that have not been obtained as of the date hereof.

- (g) The Lessor will apply or cause to be applied the proceeds of the Bonds in accordance with the Indenture and this Agreement.
- (h) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Lessor or, to the best knowledge of the Lessor, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or by the Indenture or the Bonds or which, in any way, would adversely affect the validity of this Agreement, the Bonds, the Indenture or any agreement or instrument to which the Lessor is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.
- (i) The Lessor covenants that it will not pledge the amounts derived from this Agreement other than to secure the Bonds.

Section 5.02. Representations and Covenants of the Lessees. The Lessees make the following representations and covenants, in addition to those elsewhere set forth herein, as the basis for the undertakings on the part of the Lessor contained herein:

- (a) The Lessees are municipal corporations or political subdivisions, as appropriate, within the meaning of the Act, duly created and existing under the laws of the State of Tennessee and possessing general powers of taxation, including the power to levy ad valorem taxes, and have full legal right, power and authority (i) to conduct their business and own their properties, (ii) to enter into this Agreement, and (iii) to carry out and consummate all other transactions contemplated by this Agreement.
- (b) With respect to the authorization, execution and delivery of this Agreement, the Lessees have complied and will comply with all applicable laws of the State of Tennessee.
- (c) The Lessees have duly approved the execution and delivery of this Agreement and have authorized the taking of any and all action as may be required on the part of the Lessees to carry out, give effect to and consummate the transactions contemplated by this Agreement and the Indenture.
- (d) This Agreement has been duly authorized executed and delivered by the Lessees and, assuming due authorization, execution and delivery by the Lessor, will constitute a legal, valid and binding obligation of the Lessees enforceable in accordance with its terms. To the extent permitted by applicable law, the defense of sovereign immunity is not available to the Lessees in any proceedings by the Lessor or the Trustee to enforce any of the obligations of the Lessees under this Agreement and, to the fullest extent permitted by law, the Lessees consent to the initiation of any such proceedings in any court of competent jurisdiction and agrees not to assert the defense of sovereign immunity in any such proceedings.
- (e) There is no action, suit, proceedings, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Lessees, threatened against the Lessees, nor is there any basis therefor, (i) affecting the creation, organization or existence of the Lessees or the title of their officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement, (iii) in any way contesting or affecting the validity or enforceability of this Agreement or any agreement or instrument relating to any of the foregoing or used or

contemplated for use in the consummation of the transactions contemplated by any of the foregoing, or (iv) materially adversely affecting the Lessees' financial condition or their obligations to make Rent Payments under this Agreement.

- (f) The Lessees are not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Lessees are a party or by which it or any of their properties is bound, and no event has occurred which with the passage of time, the giving of notice or both would constitute such a breach or default; and the execution and delivery of this Agreement and compliance with the respective provisions thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or of the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Lessees are a party or by which it or any of their property is bound.
- (g) So long as any Bonds are Outstanding, the Lessees shall promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become applicable to the Project, the repair and alteration thereof, and the use or manner of use of the Project, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change or governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof.
- (h) The Lessees will not take or omit to take any action which action or omission will in any way cause the proceeds of the Bonds advanced to them to be applied in a manner contrary to that provided in the Indenture and this Agreement.
- (i) The Lessees have not taken or omitted to take, and will not take or omit to take, any action, and know of no action that any other person, firm or corporation has taken or intends to take, which would cause interest on the Bonds to be includable in the gross income of owners thereof for federal income tax purposes.
- (j) The Lessees are not in default under any agreement, note, bond, mortgage or other instrument evidencing or securing indebtedness.
- (k) The Lessees approve the issuance of the Bonds and, as of the date hereof, are not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of this Agreement and all warranties and representations of Lessees herein are true and correct on the date hereof.
- (l) The Lessees covenant and agree to provide annual audited financial statements to the Administrator as soon as reasonably practical upon their becoming available and, upon request, such other financial information as shall be reasonably requested by the Administrator, the Bank, the Bond Insurer and the Lessor.
- (m) The Lessees covenant and agree to comply with the terms and requirements applicable to Lessees in the Indenture, the Purchase Agreement, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Program Administration Agreement.

- (n) The interest on the Agreement is intended to be excludable from gross income for purposes of Federal income taxation.
- (o) The Lessees covenant and agree to take all necessary action to enforce the payment and collection of Swap Receipts under a Swap Agreement, on behalf of the Lessor, and to deposit, or cause to be deposited, all Swap Receipts with the Trustee.
- (p) All information provided to the Lessor in this Agreement or in any other document or instrument with respect to the Bond Proceeds, this Agreement or the Project, was at the time provided, and is now, true, correct and complete, and such information does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VI

Rent Absolute; State of Title

Section 6.01. No Termination or Abatement for Damage or Destruction, Etc. Except as otherwise expressly provided herein, and until the Bonds have been paid in full, this Lease shall not terminate, nor shall Lessees have any right to terminate this Lease or be entitled to the abatement of any rent or any reduction thereof, nor shall the obligations hereunder of Lessees be otherwise affected, by reason of any damage to or the destruction of all or any part of the Project from whatever cause, the loss or theft of the Project or any part thereof, the taking of the Project or any portion thereof by condemnation or otherwise, the prohibition, limitation or restriction of Lessees' use of the Project, or the interference with such use by any private person or corporation, or by reason of any eviction by paramount title or otherwise, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Basic Rent and additional rent reserved hereunder shall continue to be payable in all events and the obligations of Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall be terminated pursuant to an express provision of this Lease.

Lessees acknowledge that Lessor has made no representations as to the condition of the Project. This Lease shall not terminate, nor shall Lessees have any right to terminate this Lease, or be entitled to the abatement of any rent or any reduction thereof, nor shall the obligations hereunder of Lessees be otherwise affected, by reason of or due to the condition of the Project, either before, during or after acquisition and installation or by reason of or due to any failure to complete the construction of the Building or the acquisition of the Equipment.

The obligations of Lessees to make the payments required in Article __ and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional. Until such time as the principal of and interest on the Bonds shall have been fully paid, Lessees (i) will not suspend or discontinue any payments provided for in Article __, (ii) will perform and observe all of its other agreements contained in this Lease and (iii) except as provided in Article __ will not terminate this Lease for any cause including, without limiting the generality of the foregoing, failure of Lessor to complete the Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or any political subdivision thereof.

Section 6.02. No Termination for Insolvency, etc., of Lessor. Lessees covenant and agree that they will remain obligated under this Lease in accordance with its terms, and that Lessees will not take any action to terminate, rescind or avoid this Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceedings

affecting Lessor or any assignee of Lessor in any such proceeding and notwithstanding any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or any assignee of Lessor in any such proceeding, or by any court in any such proceeding. Lessor covenants and agrees that it will not voluntarily submit to any bankruptcy, insolvency, reorganization, composition, readjustment, action for appointment of a receiver, liquidation, dissolution, winding-up or other proceeding affecting it or any assignee under this Lease without the prior written consent of Lessees, so long as Lessees are not in default hereunder.

Section 6.03. Waiver of Rights by Lessees. So long as any of the Bonds are outstanding and unpaid, Lessees waive, to the extent legally permissible, all rights now or hereafter conferred by law (i) to quit, terminate or surrender this Lease or the Project or any part thereof, or (ii) to any abatement, suspension, deferment or reduction of the Basic Rent or additional rent or any other sums payable under this Lease, except as otherwise expressly provided herein, regardless of whether such rights shall arise from any present or future constitution, statute or rule of law.

Section 6.04. Condition and Title of Project. Lessees acknowledge that they have examined the premises described in Schedule A attached hereto and the state of the owner's title thereto prior to the making of this Lease and know the condition and state thereof as of the first day of the Term of this Lease, and accept the same in said condition and state; that no representations as to the condition or state thereof have been made by representatives of Lessor; and that Lessees in entering into this Lease are relying solely upon their own examination thereof. Lessor shall not be liable to Lessees for any damages resulting from failure of or any defect in Lessor's title to the Project which interferes with, prevents or renders burdensome the use of the Project or the compliance by Lessees with any of the terms of this Lease, or from delay in obtaining possession of all or any part thereof, from any cause whatsoever, and no such failure of or defect in Lessor's title or delay shall terminate this Lease or entitle Lessees to any abatement, in whole or in part, of any of the rentals or any other sums provided to be paid by Lessees pursuant to any of the terms of this Lease.

Lessor makes no warranty, either express or implied, that the Project will be suitable for Lessees' purposes or needs.

Section 6.05. No Conveyance of Title by Lessor. Lessor covenants and agrees that, during the Term of this Lease, it will not convey, or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Project to any person, firm or corporation whatsoever, irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease.

ARTICLE VII

Taxes and Other Charges

Section 7.01. Payment by Lessees - General. Lessees agree, subject to the provisions of Section 13.02, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable, each and every cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which Lessor or Lessees are or shall become liable by reason of its estate or interest in the Project or any portion thereof, by reason of any right or interest of Lessor or Lessees in or under this Lease, or by reason of or in any manner connected with or arising out of the construction, possession, operation, maintenance, alteration, repair, rebuilding or use of the Project.

Section 7.02. Taxes and Other Governmental Charges. The parties acknowledge that under present law, the properties of Lessor are exempt from all taxation in the State of Tennessee. In the event any part of the Project becomes subject to taxation, Lessees agree, subject to the provisions of Section

13.02, to pay and discharge punctually as and when the same shall become due and payable without penalty, all real estate taxes, personal property and income taxes, business and occupation taxes, occupational licenses, taxes, water charges, sewage charges, assessments (including, but not limited to, assessments for public improvements or benefits) and all other governmental taxes, impositions and charges of every kind and nature, extraordinary or ordinary, general or special, unforeseen or foreseen, whether similar or dissimilar to any of the foregoing, which at any time during the Term shall be or become due and payable by Lessor or Lessees and which shall be levied, assessed or imposed:

- (i) upon, or which shall be or become liens upon, the Project or any portion thereof or any interest of Lessor or Lessees therein or under this Lease or upon the rents payable hereunder;
- (ii) upon or with respect to the construction, possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof; or
- (iii) upon this transaction or any document to which Lessees are a party creating or transferring an interest or an estate in the Project;

under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority, whether federal, state, county, city, municipal or otherwise; provided, however, Lessees shall have no liability (a) for any tax, charge, assessment or imposition attributable to properties or operations of Lessor not involving the Project, or (b) with respect to payment of any income taxes or similar taxes imposed upon Lessor for any period during which no Bonds are outstanding and unpaid. It is the intention of the parties hereto that, insofar as the same may be lawfully done, Lessor shall be free from all costs, expenses and obligations and all such taxes, water charges, sewer charges, assessments and all such other governmental impositions and charges, and that this Lease shall yield net to Lessor not less than the Basic Rent reserved hereunder throughout the Term.

Section 7.03. Lessees Subrogated to Lessor's Rights. To the extent of any payments of additional rent by Lessees under this Article VI, Lessees shall be subrogated to Lessor's rights in respect to the proceedings or matter which cause the Basic Rent to be insufficient and any recovery by Lessor or release to Lessor of moneys in such proceedings or matter shall be used to reimburse Lessees for the amount of such additional rent so paid by Lessees, provided always that the Basic Rent is paid in the manner and at the time herein set forth.

Section 7.04. Utility Services. Lessees agree to pay or cause to be paid all charges for gas, water, sewer, electricity, light, heat, power, telephone, and other utility services used, rendered or supplied to, upon or in connection with the Project. Lessees agree that Lessor is not, nor shall it be, required to furnish to Lessees or any other user of the Project any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind.

Section 7.05. Proof of Payment. Lessees covenant to furnish to Lessor, promptly upon request, proof of the payment of any tax, assessment, and other governmental or similar charge, and any utility charges, which is payable by Lessees as provided in this Article.

Section 7.06. Proration. Upon expiration or earlier termination of this Lease (except for the termination hereof pursuant to the provisions of Article __) taxes, assessments and other charges which shall be levied, assessed or become due upon the Project or any part thereof shall be prorated to the date of such expiration or earlier termination.

Section 7.07. Costs of Repossession. Lessees covenant and agree to pay, and to indemnify Lessor and the Trustee against, all costs and charges, including reasonable counsel fees, lawfully and reasonably incurred in obtaining possession of the Project after the occurrence of an Event of Default (as defined in Section 14.01) or upon expiration or earlier termination of any term hereof, or in enforcing any covenant or agreement of Lessees contained in this Lease.

ARTICLE VIII

Insurance

Section 8.01. Insurers. All insurance provided for in this Article shall be effected under valid and enforceable policies issued by insurers licensed to do business in the State of Tennessee. The insurance required by this Article (other than by Section 7.03) shall be maintained in full force and effect at all times that any Bonds are outstanding except that such insurance required by Section 7.02 need not be placed in force and effect until the completion of the construction of the Project, provided that builder's risk insurance is in effect at least to the extent contemplated by Section 7.03 and provided further that in no event shall the insurance required by Section 7.02 be placed into effect later than the expiration of the builder's risk insurance carried pursuant to the provisions of Section 8.03.

Section 8.02. Fire and Extended Coverage. Lessor shall cause the College to keep the Project insured against loss or damage by fire, with extended coverage endorsement covering loss or damage by lightning, windstorm, explosion, aircraft, smoke damage, vehicle damage, sprinkler leakage, vandalism, malicious mischief and such other hazards as are normally covered by such endorsement in such amount that the proceeds of such insurance, in the event of the total destruction of the Project, will at least be sufficient to retire all of the outstanding Bonds, or in the amount of 100% of the insurable value of the Project (if insurance is obtainable to such an amount, and, if not, to such an amount as is obtainable), whichever shall be less (with reasonable deductible provisions as certified by Lessees). For purposes of this Lease, insurable value shall mean actual replacement value.

Section 8.03. Builder's Risk. Until such time as the construction of the Building has been completed, Lessor shall cause the College to maintain or cause to be maintained builder's risk insurance to the extent of the full insurable value of the Building.

Section 8.04. Public Liability. Lessor shall cause the College to maintain general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Project, and the adjoining sidewalks and passageways in such amounts as Lessor deems reasonable. Policies for such insurance shall be for the mutual benefit of Lessor and Lessees.

Section 8.05. Loss Payable. All policies of insurance required by Sections 7.02 and 7.03 shall name Lessor and Lessees as insureds and shall provide that the proceeds of such insurance shall be payable to the Trustee under a standard loss payable clause as their respective interests may appear; provided, however, that in the case of any particular casualty resulting in loss or damage not exceeding \$25,000 in the aggregate, the proceeds of such insurance shall be payable to Lessees. All such policies shall, to the extent obtainable, provide that any loss shall be payable to the Trustee notwithstanding any act or negligence of Lessees which might otherwise result in a forfeiture of said insurance.

Section 8.06. Evidence of Existence; Modification of Policies. Certificates from the insurers evidencing the existence of all policies required by Sections 7.02 and 7.03 shall be filed with the Trustee, and such policies of insurance shall contain an undertaking by the respective insurers, to the extent obtainable, that such policies shall not be modified adversely to the interests of Lessor or the Trustee or canceled without at least 10 days' prior written notice to Lessor and to the Trustee. Not less than 10 days

prior to the expiration dates of the policies, originals of the renewal policies (or certificates therefore from the insurers evidencing the existence thereof) shall be deposited with the Trustee.

Section 8.07. Adjustment of Claims. Any claims under the policies of insurance described in this Article shall be adjusted by and at the expense of Lessees; provided, however, that the proceeds from such insurance shall be applied pursuant to the terms of this Lease.

ARTICLE IX **Maintenance and Repair**

Section 9.01. Maintenance of Project. Lessor shall cause the College to keep and maintain the Project in good repair and appearance. Lessor shall cause the College to promptly make, or cause to be made, all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Project in good and lawful order and condition, wear and tear from reasonable use excepted, whether or not such repairs are due to any law, rules, regulations or ordinances hereafter enacted which involve a change of policy on the part of the governmental body enacting the same.

Section 9.02. Lessees Not Required to Repair. Lessees shall not be required to make any repairs, replacements or renewals of any nature or description to the Project or to make any expenditures whatsoever in connection with this Lease or to maintain the Project in any way.

ARTICLE X **Condemnation**

Section 10.01. Awards Assigned to Trustee. If, during the Term, all or any part of the Project be taken by the exercise of the power of eminent domain or condemnation, Lessor and Lessees shall, subject to all the terms of this Article, be entitled to, and shall receive, the entire award for the taking. So long as any Bonds remain outstanding and unpaid, Lessor and Lessees hereby irrevocably assign all their right, title and interest in and to such award or awards to the Trustee, and Lessor and Lessees shall immediately pay the same to the Trustee for the benefit of Lessor and Lessees as their respective interests may appear and any such award or awards shall be held and disbursed as provided herein.

Section 10.02. Condemnation of All or Material Part of Project. If title to, or the temporary use or control of, all or substantially all of the Project, shall be taken by the exercise of the power of eminent domain or condemnation, or if such use or control of a substantial part of the Project shall be so taken as results in rendering the Project unsatisfactory to Lessees for the purposes for which the same was used immediately prior to such taking or condemnation (to be determined in the sole judgment of Lessees), Lessees shall prepay All Unpaid Installments of Rent and such payment shall be made as of the first day of the first month occurring subsequent to 60 days after the effective date of such taking. Lessees shall deliver to Lessor and Trustee at least 30 days before the proposed date of prepayment a certificate, signed by Lessees, to the effect that title to, or the temporary use or control of, all or substantially all of the Project has been taken by the exercise of the power of eminent domain or condemnation. Upon payment in cash of All Unpaid Installments of Rent, the Trustee shall assign and pay over the entire amount of Lessor's and Lessees' interest in the award for the taking to Lessees, less any expenses incurred by Lessor in collecting such award (hereinafter called the "Net Award"), provided that Lessees may request that such Net Award be credited against All Unpaid Installments of Rent to be paid hereunder. The prepayment by Lessees shall be applied to the redemption of Bonds in accordance with Section ___ of the Indenture on the first date that the Bonds may be redeemed pursuant to such section. In the event the

amount prepaid by Lessees in accordance with this section cannot be used to redeem the Bonds within 30 days of such prepayment, Lessees shall deliver to the Trustee investment instructions relating to such amount in accordance with Section 2.03 hereof and an opinion of nationally recognized bond counsel acceptable to the Trustee to the effect that the investment of such amounts in accordance with the investment instructions will not have an adverse effect on the exclusion from gross income of interest on any Bond for federal income tax purposes.

Section 10.03. Condemnation of Less than Material Part of Project. If a lesser portion of the Project be taken by exercise of the power of eminent domain or condemnation, this Lease shall nevertheless continue in full force and effect without abatement of rent (except such rental reduction as results from a redemption of Bonds) and if such taking shall have caused damage to, or necessitated restoration or rebuilding of, any of the improvements on the Land, Lessor shall cause the College to promptly and diligently restore such improvement to such condition as shall be reasonable in view of the nature of the taking and the intended use of the Project by Lessees, whether or not the Net Award is sufficient for the purpose. So long as any Bonds remain outstanding and unpaid, upon compliance with the provisions of Section ____ of the Indenture and the receipt by the Lessor and the Trustee of the certificates and instruments provided for in said Section ____, the Trustee shall from time to time disburse the Net Award as provided in said Section _____. In the event no Bonds are outstanding and unpaid, the Trustee shall assign and pay over the Net Award to Lessees. In lieu of such rebuilding or restoring as herein provided, Lessees may direct that the entire amount of the Net Award be used by the Trustee to pay and redeem Bonds as provided in Article __ of the Indenture.

If any taking of the character referred to in this Section shall occur when no Bonds are outstanding, or if the amount of the Net Award for such taking, together with other sums available for such purpose, is sufficient to pay in full the remaining Bonds then outstanding, Lessees, in lieu of restoring as herein provided, may elect to terminate this Lease, and in such event this Lease shall terminate, neither party shall have any further liability hereunder, and the entire Net Award shall be paid over to Lessees, subject, however, to the terms of the Indenture and the payment to the Trustee of such part of such Net Award as shall be required in order to pay in full the remaining Bonds.

ARTICLE XI

Casualty

Section 11.01. Lessees to Rebuild or Repair. Subject to the provisions of Section 10.02 hereof, if during the Term all or any part of the Project shall be destroyed or damaged, Lessees shall promptly notify Lessor, and at Lessees' expense (whether or not the insurance proceeds hereinafter mentioned are sufficient for the purpose) Lessor shall cause the College to promptly and diligently rebuild, restore, replace and repair the same in such manner as to restore the Project to a condition substantially equivalent to that existing immediately prior to such damage or destruction. Upon compliance with the provisions of Section ____ of the Indenture and the receipt by the Lessor or the Trustee of the certificates and instruments provided for in Section ____, the Trustee shall from time to time disburse such insurance proceeds as provided in said Section _____. In the event no Bonds are outstanding and unpaid, the Trustee shall assign and pay over the insurance proceeds to the Lessor.

Section 11.02. Major Casualty; Lessees May Terminate Lease. If, during the Term, the Project or any part thereof shall be damaged or destroyed to such an extent as to render the Project unsatisfactory to Lessees for the purposes for which the same were used immediately prior to such damage or destruction or if Lessees deem it unwise to rebuild, repair and restore the Project (to be determined in the sole judgment of Lessees), Lessees, in lieu of rebuilding, restoring, replacing and repairing the Project, may prepay All Unpaid Installments of Rent. Such prepayment shall be made as of the first day of the

first month, occurring subsequent to 60 days after the date of such damage or destruction. Lessees shall deliver to Lessor at least 30 days before the proposed date of prepayment a certificate, signed by Lessees, stating that Lessees have elected to prepay All Unpaid Installments of Rent and the proposed date of prepayment and certifying that Lessees have determined in good faith that the Project has been damaged or destroyed to such an extent as to render the Project unsatisfactory to Lessees for the purposes for which the same was used immediately prior to such damage or destruction or that Lessees deem it unwise to rebuild, repair and restore. Upon payment in cash of All Unpaid Installments of Rent, Lessees shall be entitled to such insurance proceeds and the Trustee shall assign and pay over to Lessees all such insurance proceeds, provided that Lessees may request that such insurance proceeds be credited against All Unpaid Installments of Rent to be paid hereunder. The prepayment by Lessees shall be applied to the redemption of Bonds in accordance with Section ___ of the Indenture on the first date that Bonds may be redeemed pursuant to such section. In the event the amount prepaid by Lessees in accordance with this section cannot be used to redeem the Bonds within 30 days of such prepayment, Lessees shall deliver to the Trustee investment instructions relating to such amount in accordance with Section 2.03 hereof and an opinion of nationally recognized bond counsel acceptable to the Trustee to the effect that the investment of such amounts in accordance with the investment instructions will not have an adverse effect on the exclusion from gross income of interest on any Bond for federal income tax purposes.

Section 11.03. Casualty after Payment of Bonds. Notwithstanding any other provision of this Article XI, if all or any part of the Project shall be destroyed or damaged after the Bonds have been paid in full, (i) Lessees shall have no obligation to effect the repair or restoration of the Project, (ii) any insurance proceeds payable on account of such destruction or damage shall be paid to Lessees, and (iii) Lessees may elect by written notice to Lessor to terminate this Lease, in which event Lessees shall have no further liability hereunder.

ARTICLE XII

Additions, Alterations, Improvements, Replacements and New Construction

Section 12.01. Additions, Alterations and Improvements by Lessees. Subject to the Development and Operation Agreement, Lessees shall have the right to make additions to, alterations of, and improvements on the Project, structural or otherwise, and to construct additional facilities, at their expense, subject, however, to the provisions of Section 2.02. All such additions, alterations, improvements and additional facilities shall become part of the Project.

Subject to the Development and Operation Agreement, Lessees shall have the privilege of erecting any additional buildings and of remodeling the Project from time to time as they in their discretion may determine to be desirable for their uses and purposes, provided that such remodeling shall not damage the basic structure of the then existing Project or decrease their value, with no obligation to restore or return the Project to its original condition, but the cost of such new building or buildings and improvements and remodeling shall be paid for by the Lessees and upon the expiration or termination of this Lease shall belong to and be the property of Lessor, subject, however, to the right of Lessees to remove from the Project at any time before the expiration or termination of this Lease and while they are in good standing with reference to the payment of Basic Rent and performance of its other obligations hereunder, all improvements, furnishings, fixtures, equipment and appliances placed in or upon the Project by Lessees which can be removed without material damage to the existing buildings or structures or if they cannot be removed without such damage, then provided that Lessees repairs any damage caused by such removal.

Section 12.02. Installation and Removal of Furnishings and Fixtures by Lessees. Subject to the Development and Operation Agreement, Lessees may at any time or times during the Term install or commence the installation of any furnishings, equipment, fixtures or personal property to such extent as Lessees may deem desirable, and Lessees may also remove any furnishings, equipment or fixtures so installed by it, provided, however, that such installation or removal shall not be permitted to interfere with the construction of the Project or in any way damage the Project. All such furnishings, equipment, fixtures and other personal property which shall be acquired and installed at the expense of Lessees shall remain the property of Lessees and may be removed at any time and from time to time by Lessees.

Section 12.03. Additions and Alterations Not to Diminish Value of Project. The Project as improved or altered upon completion of additions, alterations, improvements or construction made pursuant to the provisions of this Article XII shall be of a value of not less than the value of the Project immediately prior to the making of such additions, alterations, improvements or the construction of additional facilities.

Section 12.04. Quality of Work; Compliance With Laws; Insurance. All work done in connection with such additions, alterations, improvements or construction shall be done promptly, and in good and workmanlike manner, and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof. Lessees shall maintain or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessees or the Project.

ARTICLE XIII **Subletting and Assignments**

Section 13.01. Continuing Obligations of Lessees. Subject to the Development and Operation Agreement, Lessees may sublet the Project or any part thereof, and may assign or otherwise transfer any or all of their rights and interest hereunder; provided, however, (a) that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessees hereunder, but all obligations of Lessees hereunder shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety, and (b) that Lessees shall deliver to Lessor and Trustee not less than 10 days prior written notice of any such proposed assignment, transfer or sublease, together with an opinion of recognized bond counsel satisfactory to Trustee to the effect that such assignment, transfer or sublease will not affect the exclusion from federal income taxation of interest on the outstanding Bonds. Except as provided in the previous sentence, Lessees shall not sublet the Project or any part thereof, and shall not assign or otherwise transfer any or all of their rights and interest hereunder.

Section 13.02. Collection of Rent from Others; No Release of Lessees. If this Lease be assigned or transferred, or if the Project or any part thereof be sublet or occupied by anybody other than Lessees, Lessor may, after default by Lessees, collect rent from the assignee, transferee, subtenant, or similar occupant and apply the net amount collected to the Basic Rent and any other amounts reserved hereunder, but no such assignment, transfer, subletting, possession or collection shall be deemed the acceptance of the assignee, transferee, subtenant or similar possessor as lessees, or a waiver or release of Lessees from the performance of the terms, covenants and conditions of this Lease to be performed by Lessees. Any violation of any provision of this Lease, whether by act or omission, by an assignee, transferee, subtenant, or similar occupant, shall be deemed a violation of such provision by Lessees, it being the intention of the parties hereto that Lessees shall assume and be liable to Lessor for all and any acts and omissions of any and all assignees, transferees, subtenants and similar occupants.

ARTICLE XIV
Events of Default

Section 14.01. Events of Default. An Event of Default shall occur hereunder if any one or more of the following events shall happen:

- (a) the payments required by Sections 3.01 through 3.02 are not paid punctually when due;
- (b) default shall be made by the Lessees in the due performance of or compliance with any of the terms hereof, other than those referred to in the foregoing subdivision (a), and such default shall continue for thirty (30) days after the Lessor or the Trustee shall have given the Lessees written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 30-day period, if the Lessees shall fail to proceed promptly to commence curing the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the 30 days that the time to cure the same shall be extended for such period as may be reasonably necessary to complete the curing of the same with all due diligence);
- (c) any of the Lessees shall file a voluntary petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Lessees or of all or any substantial part of their properties or of the Project or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;
- (d) a petition shall be filed against the Lessees seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation and shall remain undismissed or unstayed for an aggregate of 90 days (whether or not consecutive), or if any trustee, receiver or liquidator of any of the Lessees or of all or any substantial part of their properties or of the Project shall be appointed without the consent or acquiescence of the Lessees and such appointment shall remain unvacated or unstayed for an aggregate of 90 days (whether or not consecutive); or
- (e) the Lessees shall contest the validity of enforceability of any provision of this Agreement.

Section 14.02. Remedies. Upon the occurrence of an Event of Default (regardless of the pendency of any proceeding which has or might have the effect of preventing the Lessees from complying with the terms of this Agreement), the Trustee, as assignee of the Lessor, or any other Person who has succeeded to the rights of the Lessor hereunder, including the registered owners of the Bonds and the Bond Insurer, at any time thereafter and while such Event of Default shall continue, shall notify the Bond Insurer within five Business Days, and may, at its option, with the consent of the Bond Insurer 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 obligation, agreement or covenant of the Lessees under this Agreement. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the Indenture.

ARTICLE XV
Prepayment

Section 15.01. Option to Prepay. The Lessees shall have the right and option throughout the term hereof to prepay in whole or in part the Rent Payments due hereunder at the prices and upon the terms hereinafter set forth.

Section 15.02. Optional Prepayment Price.

(a) If the Bonds are bearing interest at the Auction Rate, Daily Rate, Weekly Rate, the Commercial Paper Rate and the Short-Term Rate at the time of prepayment, the prepayment amount shall be the Outstanding principal amount of the Bonds as of the designated Redemption Date, plus interest and Additional Rent accrued thereon to the Redemption Date of the Bonds.

(b) If the Bonds are bearing interest at the Medium-Term Rate or the Fixed Rate at the time of prepayment, the prepayment amount shall be the applicable Redemption Price as set forth in Section 3.02(b) of the Indenture, plus interest accruing between the Prepayment Date and the Redemption Date (or, if said investment earnings exceed interest accrued during said period, less said excess), plus Additional Rent accrued to the Redemption Date.

(c) If any of the Bonds are Bank Bonds at the time of prepayment, the prepayment amount with respect to the Bank Bonds shall be the Outstanding principal amount of the Bank Bonds, plus Additional Rent and interest (including interest at the Bank Rate and Excess Interest, if applicable) accrued to the Redemption Date.

Section 15.03. Notice of Prepayment. The Lessees shall give notice of their intent to prepay Rent Payments due under this Agreement to the Trustee, the Administrator, the Bank (if applicable) or to the Agent on behalf of the Bank and the Bond Insurer (if applicable) in the manner for giving notices hereunder pursuant to Section 7.07 hereof at least forty-five (45) days prior to the Prepayment Date. The notice shall state the intent of the Lessees to prepay the Rent Payments due hereunder or a portion thereof, the proposed Prepayment Date, the proposed Redemption Date for the Bonds and, in the case of a partial prepayment, the principal amount of the Bonds to be redeemed. The Lessees shall cause the Administrator to instruct the Trustee as to the investment of the funds so deposited and the amount of the Optional Prepayment Price required to be paid by the Lessees, and the Lessor and Trustee are entitled to rely on said instructions. After the notice of prepayment has been given as above provided, the Bonds shall not be converted from one Interest Rate Mode to another Interest Rate Mode and Bonds bearing interest at the Medium-Term Rate shall not be changed to a different Medium-Term Rate Period after the notice of prepayment has been given as above provided.

Section 15.04. Partial Prepayment. If the Lessees exercises their right and option to prepay the Rental Payments in part, the prepayment shall be in an amount such that the Bonds remaining Outstanding after the Redemption Date will be in an Authorized Denomination and no portion of a Bond shall be redeemed that would result in a Bond remaining Outstanding that is smaller than the minimum Authorized Denomination for the Bonds. The principal prepayment amount shall be applied in reduction of payment obligations set forth on Exhibit A as Lessees shall elect by written notice to the Trustee.

Section 15.05. Deposit of Prepayment Amount. If the Bonds are bearing interest at the Auction Rate, the Daily Rate, the Commercial Rate, the Weekly Rate, or the Short-Term Rate, the prepayment amount shall be deposited with the Trustee in immediately available funds not later than 10:00 a.m.,

Nashville time, on the Redemption Date. If the Bonds are bearing interest at the Medium-Term Rate or the Fixed Rate, the prepayment amount shall be deposited on any date prior to the Redemption Date.

Section 15.06. Discharge of Other Obligations. Notwithstanding any other provisions hereof, this Agreement shall not terminate on the date on which the Lessees shall be obligated to prepay (whether or not any delay in the completion of such prepayment shall be the fault of Lessor), nor shall the Lessees obligations hereunder cease until the Lessees shall have paid all amounts payable hereunder without set-off, counterclaim, abatement, suspension, deduction, diminution, or defense for any reason whatsoever, so long as the Bonds are Outstanding and unpaid, and until the Lessees shall have discharged or made provision satisfactory to Lessor for the discharge of, all of its obligations under this Agreement, which obligations have arisen on or before the date for prepayment, including the obligation to pay amounts due and payable on the date of the prepayment.

ARTICLE XVI **Indemnification**

Section 16.01. Indemnification of Trustee and Lessor. The Lessees covenant and agree, to the extent they are authorized by applicable law, to indemnify the Trustee and the Lessor and each successor trustee and the officers, directors, employees and agents of the Trustee or any such successor trustee and the Lessor (the Trustee, each successor trustee, the Lessor and such officers, directors, employees and agents being hereinafter referred to in this Section collectively as the "Indemnified Parties" and individually as an "Indemnified Party") for, and to hold each Indemnified Party harmless against, any loss, liability, tax, assessment or other governmental charge (other than taxes applicable to their compensation hereunder) or expenses incurred without negligence, wilful misconduct or bad faith on the part of such Indemnified Party, arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder and the duties of the Trustee and the Lessor thereunder (but only to the extent the Indenture, its administration, required duties and trusts thereunder are applicable to Lessees, this Agreement or the Bonds), including enforcement of this Agreement and this Section thereof and also including any liability which may be incurred as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses incurred by such Indemnified Party in the course of defending itself against or investigating any claim of liability in the premises. The obligations of the Lessees under this Section to compensate and indemnify the Indemnified Parties and to pay or reimburse each Indemnified Party for expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Agreement.

ARTICLE XVII **Special Provisions**

Section 17.01. Percentage Liability of Lessees. Each and every monetary obligation of Lessees hereunder shall not be a joint and several obligation of the Lessees. Each of Lessees shall be liable for that portion of each such monetary obligation that is equal to the percentage shown for each Lessee on Schedule D attached hereto multiplied by the amount of such monetary obligation. Each of the Lessees shall be deemed to have leased pursuant to this Lease that portion of the Project that is equal to the percentage shown for such Lessee on Schedule B attached hereto, provided that each Lessee grants to all of the other Lessees an irrevocable license to use and have access to the entire Project.

Section 17.02. Pledge of Taxing Power. Each of Lessees covenants that it shall provide for the levy and collection of a tax sufficient to pay when due the annual amount payable by it under this Lease subject to the limitations of Section _____ as and when it becomes due and payable and to pay all other

expenses of maintaining and operating the Project required to be paid by such Lessee under the terms of this Lease, including any Additional Rent payable hereunder. The tax to be levied pursuant to this Section shall be assessed, levied, collected and paid in like manner as other taxes of Lessees. Such tax shall not be included within any statutory or other limitation of rate or amount for each Lessee but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law. To the extent other moneys are not available therefor, there shall be set aside by each Lessee from such tax levy in a special fund an amount sufficient for the payment of the amounts under this Lease, and such fund shall be used exclusively for such purpose and shall not be used for any other purpose until the amount payable hereunder have been paid in full.

ARTICLE XVIII

Miscellaneous

Section 18.01. Waiver of Statutory Rights. The rights and remedies of the Lessor and the Lessees under this Agreement shall not be adversely affected by any laws, ordinances, or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Agreement affecting or regulating or attempting to affect or regulate any amounts payable hereunder.

Section 18.02. Non-Waiver by Lessor. No failure by Lessor or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Agreement or constitute a waiver of a then existing or subsequent breach.

Section 18.03. Remedies Cumulative. Each right, power and remedy of Lessor provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement, or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers or remedies are sought to be enforced, and the exercise or beginning of the exercise by the Lessor or the Trustee of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute, or otherwise shall not preclude the simultaneous or later exercise by the Lessor or Trustee of any or all such other rights, powers or remedies.

Section 18.04. Amendments, Changes and Modification. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the issuance of the Bonds and prior to the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, the Bank (if applicable) and to the extent such amendment would affect the rights or obligations of a Swap Counterparty, the Swap Counterparty under a Swap Agreement, and the Bond Insurer (if applicable) given in accordance with the provisions of the Indenture.

Section 18.05. Applicable Law - Entire Understanding. This Agreement shall be governed exclusively by the applicable laws of the State of Tennessee. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Agreement.

Section 18.08. Headings and References. The headings in this Agreement are for the convenience of reference only and shall not define or limit the provisions thereof. All references in this Agreement to particular Articles or Sections are references to Articles or Sections of this Agreement, unless otherwise indicated.

Section 18.09. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and to the Bond Insurer.

Section 18.10. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 18.11. Amendments, Changes and Modifications of Indenture. The Lessor covenants and agrees that it will not, without the prior written consent of the Lessees and the Bond Insurer, enter into or consent to any amendment, change or modification of the Indenture which would adversely affect the Lessees rights under this Agreement.

Section 18.12. No Liability of Lessor's and Lessees's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Lessor or the Lessees, either directly or through the Lessor or the Lessees. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by the Lessees and the Lessor against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Agreement.

Section 18.13. Refunding of the Bonds. The Bonds may be refunded at any time and from time to time as permitted by applicable law, upon the direction of the Lessees. In the event the Bonds are refunded by Bonds issued by the Lessor, all references in this Agreement to (i) the Bonds shall be deemed to refer also to the refunding bonds, (ii) the Indenture shall be deemed to refer also to the indenture or other instrument pursuant to which the refunding bonds are issued, and (iii) any funds or accounts referred to herein shall be deemed to refer also to the corresponding funds or accounts established under the indenture or other instrument pursuant to which the refunding bonds are issued.

Section 18.14. Continuing Disclosure. In the event the Bonds are not exempt under Section 15c2-12, the Lessees hereby covenant and agree that it will provide such annual financial information and material event notices, if any, as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Authorized Lessee Representative is authorized to execute an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Lessees to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Lessees to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

[Signature Page Follows]

IN WITNESS WHEREOF, THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY, TENNESSEE has executed this Lease by causing its name to be hereunto subscribed by its Chairman and its corporate seal to be impressed hereon and attested by its Secretary; and BLOUNT COUNTY, TENNESSEE, CITY OF MARYVILLE, TENNESSEE, and CITY OF ALCOA, TENNESSEE, have executed this Lease by causing their names to be hereunto subscribed by their duly authorized officers, all being done as of the day and year first above written, but actually on the dates hereinafter indicated in the acknowledgments.

THE INDUSTRIAL DEVELOPMENT BOARD
OF BLOUNT COUNTY, TENNESSEE

By: _____
Chairman

(SEAL)

ATTEST

Secretary

BLOUNT COUNTY, TENNESSEE

By: _____
County Executive

(SEAL)

ATTEST

County Clerk

CITY OF MARYVILLE

By: _____
Mayor

(SEAL)

ATTEST

City Recorder

CITY OF ALCOA

By: _____
Mayor

(SEAL)

ATTEST

City Recorder

EXHIBIT A

COMPLETION CERTIFICATE

The undersigned, being an Authorized Lessor Representative within the meaning of that term as set forth in a Lease Agreement (the "Lease Agreement"), dated as of _____ 1, 200_, by and between The Industrial Development Board of Blount County, Tennessee and Blount County, Tennessee, the City of Maryville, Tennessee and the City of Alcoa, Tennessee (the "Lessees"), submits this Completion Certificate on behalf of the Lessor pursuant to Section 2.05 of the Lease Agreement, as follows:

1. No additional advances of funds under the Lease Agreement will be requested from the Trustee, and no additional Requisitions for disbursement of funds will be presented to the Trustee;
2. The Project to be financed with the proceeds of the Bonds have been completed or sufficient funds are available to complete the Project to the satisfaction of the Lessor; and
3. The Lessor and the Trustee are directed to apply any excess funds remaining in the Project Fund under the Lease Agreement in accordance with the provisions of Section 2.05 of the Lease Agreement.

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

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

INDUSTRIAL DEVELOPMENT BOARD OF
BLOUNT COUNTY, TENNESSEE

Name: _____
Title: _____

EXHIBIT B
PRINCIPAL REDUCTION SCHEDULE

Date
(May 25)

Principal

SCHEDULE C

SCHEDULE C TO LEASE dated as of _____ 200_, by and between The Industrial Development Board of Blount County, Tennessee, as Lessor, and Blount County, Tennessee, City of Maryville, Tennessee and City of Alcoa, Tennessee, as Lessees.

Percentage Liabilities of Lessees
Under Lease

BLOUNT COUNTY	47.5%
CITY OF MARYVILLE	37.5%
CITY OF ALCOA	15.0%

RESOLUTION No. _____

Sponsored by Commissioners: Jeff McCall and John Keeble

A RESOLUTION DESIGNATING BLOUNT COUNTY'S SHARE OF THE HOTEL/MOTEL TAX TO THE GENERAL DEBT SERVICE FUND.

WHEREAS, significant dollars are generated each year through tourism in Blount County and through tourist dollars being spent in local hotels and motels; and

WHEREAS, Blount County receives 37.5% of the proceeds from the 4% hotel/motel tax for appropriation by the Blount County Commission; and,

WHEREAS, this 37.5% is subject to the full county commissions authority for appropriation.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this ____ day of _____ 20____, that they hereby designate in the 2006-2007 and 2007-2008 budget the growth in the County share of the 37.5% of the hotel/motel tax with the base year being fiscal year end June 30, 2006.

BE IT FURTHER RESOLVED that in FY 2008-2009 and beyond, the County Commission hereby designates the entire 37.5% of the hotel/motel tax to the General Debt Service Fund.

Duly authorized and approved the ____ day of _____, _____.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Executive

Date



Blount County, Tennessee
 Hotel/Motel Tax Projections
 FYE 2006-2030
 Assumptions Below

Projection for 2005-06 through 2023 (using 6% growth 10 years, 4% thereafter)

FYE	Total	Co. Share	Amortization of CAC	Payment Less County Share of Hotel/Motel	Interest Earned on Balance Assumption 4% Interest	Use of Accumulated Hotel/Motel Tax Plus Interest
2006	1,473,000.00	552,375.00				
2007	1,561,380.00	585,517.50				
2008	1,655,062.80	620,648.55				
2009	1,754,366.57	657,887.46				
2010	1,859,628.56	697,360.71				
2011	1,971,206.28	739,202.35				
2012	2,089,478.65	783,554.49				
2013	2,214,847.37	830,567.76	3,914,738.84		156,589.55	3,914,738.84
2014	2,347,738.21	880,401.83	1,510,773.13	(630,371.30)	137,638.28	3,440,957.09
2015	2,488,602.51	933,225.94	1,511,853.75	(578,627.81)	119,998.70	2,999,967.56
2016	2,588,146.61	970,554.98	1,511,438.13	(540,883.15)	103,163.32	2,579,083.11
2017	2,691,672.47	1,009,377.18	1,511,901.25	(502,524.07)	87,188.89	2,179,722.36
2018	2,799,339.37	1,049,752.26	1,510,761.25	(461,008.99)	72,236.09	1,805,902.27
2019	2,911,312.94	1,091,742.35	1,510,393.13	(418,650.78)	58,379.50	1,459,487.59
2020	3,027,765.46	1,135,412.05	1,510,690.00	(375,277.95)	45,703.57	1,142,589.14
2021	3,148,876.08	1,180,828.53	1,511,545.00	(330,716.47)	34,303.05	857,576.24
2022	3,274,831.12	1,228,061.67	1,510,476.25	(282,414.58)	24,378.59	609,464.71
2023	3,405,824.37	1,277,184.14	1,509,856.75	(232,672.61)	16,046.83	401,170.68
2024	3,542,057.34	1,328,271.50	1,509,585.63	(181,314.13)	9,436.14	235,903.39
2025	3,683,739.64	1,381,402.36	1,509,550.00	(128,147.64)	4,687.68	117,191.89
2026	3,831,089.22	1,436,658.46	1,509,645.00	(72,986.54)	1,955.72	48,893.02
2027	3,984,332.79	1,494,124.80	1,509,763.75	(15,638.95)	1,408.39	35,209.79
2028	4,143,706.10	1,553,889.79	1,509,799.38	44,090.41	3,228.34	80,708.59
2029	4,309,454.35	1,616,045.38	1,512,020.00	104,025.38	7,518.49	187,962.31
2030	4,481,832.52	1,680,687.20	1,511,461.88	169,225.32		364,706.12

Assumptions: 6% growth next 10 years, 4% growth years after that.
 Also, assumption of interest rate at 4% for earnings on money

RESOLUTION No. _____

Sponsored by: _____ and _____

A RESOLUTION TO OPPOSE PUBLIC CHAPTER NO. 504, AMENDING TCA SECTION 55-10-403 REGARDING THE PUNISHMENT OF DRIVING UNDER THE INFLUENCE OF AN INTOXICANT.

WHEREAS, Blount County would like to voice their opposition to the upcoming amendment Public Chapter 504 of TCA Section 55-10-403; and

WHEREAS, the amendment would allow a person charged with DUI and sentenced to serve 48 hours in jail, to have the option of serving 24 hours in jail and serving the other 24 hours removing litter along the highways in three 8 hour shifts at their convenience; and

WHEREAS, this is an unfunded state mandate which would require additional Sheriff's Department funds and manpower and those resources are not available at this time.

THEREFORE, BE IT RESOLVED by the Board of Commissioners of Blount County, Tennessee, assembled in regular session this 15th day of December 2005, that the County Commission opposes this amendment and seeks to have the aforementioned amendment rescinded by legislative delegation.

Duly authorized and approved the 15th day of December 2005.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Mayor

Date

CHAPTER NO. 504

HOUSE BILL NO. 581

By Representatives Curtiss, Henri Brooks

Substituted for: Senate Bill No. 79

By Senators Burks, Herron

AN ACT to amend Tennessee Code Annotated, Section 55-10-403, relative to the punishment for the offense of driving under the influence of an intoxicant.

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

SECTION 1. Tennessee Code Annotated, Section 55-10-403 is amended by deleting the first sentence of subsection (a) and substituting instead the following:

Any person violating the provisions of § 55-10-401 shall, upon conviction thereof, for the first offense be fined not less than three hundred fifty dollars (\$350) nor more than one thousand five hundred dollars (\$1,500), the court shall prohibit such convicted person from driving a vehicle in the state of Tennessee for a period of time of one (1) year and such person shall be further punished as provided in subsection (s).

SECTION 2. Tennessee Code Annotated, Section 55-10-403, is amended by adding the following as a new subsection (s):

(s)

(1) In addition to the punishment provided in subsection (a), a person convicted of violating the provisions of § 55-10-401 for the first time, shall be punished as follows:

(A) If the person is less than twenty-one (21) years of age at the time of the offense, the court shall sentence such person to confinement in the county jail or workhouse for not less than forty-eight (48) hours nor more than eleven (11) months and twenty-nine (29) days and to remove litter during daylight hours from state route highways or state-aid highways as provided in subdivisions (2)--(9) for a period of twenty-four (24) hours to be served in three (3) shifts of eight (8) consecutive hours each.

(B) If the person is twenty-one (21) years of age or more at the time of the offense, the court shall sentence the person to confinement in the county jail or workhouse for not less than twenty-four (24) hours nor more than eleven (11) months and twenty-nine (29) days and to remove litter during daylight hours from state route highways or state-aid highways as provided in subdivisions (2)—(9) for a period of twenty-four (24) hours to be served in three (3) shifts of eight (8) consecutive hours each.

(2) A court sentencing an offender pursuant to either subdivision (A) or (B) of subdivision (1) of this subsection shall order such offender to remove litter from public highways for a period of eight (8) consecutive hours a day for three (3) days. Each of such three (3) days shall be considered confinement for purposes of application and payment of the fees set forth in § 8-26-105(a). If the offender is a resident of Tennessee, the litter removal portion of the sentence shall occur in the offender's county of residence. The court shall transmit the name and address of each offender sentenced pursuant to this subsection to the sheriff of the county in which the offender resides. The sheriff of the offender's county of residence shall notify each such offender of the date and time they are to report to the county jail for assignment on a litter removal crew. The sheriff shall schedule such assignments so that there are no less than five (5) offenders assigned to and participating in a litter removal crew at any particular time and in such a manner that each offender completes the three (3) days of litter removal within a thirty (30) day period. The days and times to which offenders are assigned for litter removal shall be days and times that the offender is off from work and will not interfere with such offender's regular employment. All such assignments shall be made for and all litter removal crews shall work only during daylight hours and only on state route highways or state-aid highways.

(3) Each offender ordered to remove litter pursuant to this subsection shall be required to wear a blaze orange or other distinctively colored vest with the words "I am a DRUNK DRIVER" stenciled or otherwise written on the back of such vest in letters no less than four inches (4") in height.

(4) Offenders sentenced pursuant to this subdivision shall be required to furnish their own clothes and food while engaged in litter removal.

(5) Upon completion of eight (8) hours of litter removal, the offender shall be permitted to return home until notified by the sheriff of the next date such offender is scheduled for litter removal duty.

(6)

(A) The sheriff shall be responsible for the supervision, transportation and control of all offenders sentenced to litter removal duty. It shall be within the discretion of the sheriff to select the state route highways or state-aid highways from which such offenders remove litter. If the highway selected is a state route highway, the department of transportation shall provide a truck or trucks to remove the litter removed by such offenders. If the highway selected is a state-aid highway, the appropriate county shall provide a truck or trucks to remove the litter removed by such offenders. Regardless of the highway selected, the sheriff shall be responsible for transportation to the litter removal site and the supervision and control of the offenders while on the site.

(B) The sheriff shall cause to be placed adequate signage on the front and back of the litter removal truck or on the side of the road approaching the litter removal crew from either direction stating that it is a "DUI Litter Pickup Crew". Such signage shall be of sufficient size and

visibility to permit motorists using such road in either direction to readily ascertain the reason for and purpose of the litter removal crew.

(7) The sheriff may enter into agreements with any city or municipality located within such county whereby offenders sentenced pursuant to this subsection may be used to remove litter from state route highways or state-aid highways located within the limits of such city or municipality. The same conditions set out in this subsection shall be applicable to offenders removing litter pursuant to such an agreement. The agreement may provide that the city or municipality assume responsibility for the supervision and control of the offenders.

(8) If any entity receives funds under Tennessee Code Annotated, Section 41-2-123(c), the offenders shall be the responsibility of the entity supervising that program and under that entity's supervision and control; otherwise, the sheriff shall be responsible for the supervision and control of all offenders sentenced to litter removal duty.

(9) No sheriff shall be permitted to use an offender sentenced pursuant to this subdivision to perform any task other than litter removal.

SECTION 2.

(a) The provisions of this act shall cease to be effective on January 1, 2009. Unless extended by the general assembly, the law in effect on December 31, 2005 shall govern any person violating the provisions of § 55-10-401 on or after January 1, 2009.

(b) Between January 1, 2006 and January 1, 2009, the department of safety shall conduct a study of the effectiveness of this act. Among other factors considered by the department in determining the success or failure of this act which is designed to deter the offense of driving under the influence of an intoxicant by imposing more visible punishment, the report shall include the number of convictions for first and second offense DUI occurring between the period of January 1, 2006 and December 31, 2009 compared to the number of first and second offense DUI convictions that occurred between January 1, 2002 and December 31, 2005.

(c) The report compiled pursuant to subsection (b) of this section shall be filed with the clerk of the senate and clerk of the house of representatives by January 10, 2010. The respective clerks shall distribute a copy of the report to each member of the Judiciary Committees.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, then all provisions and applications of this act are declared to be invalid and void and the law in effect prior to enactment of this act shall remain in full force and effect.

SECTION 4. This act shall take effect January 1, 2006, the public welfare requiring it.

PASSED: May 28, 2005


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this day of 2005

PHIL BREDESEN, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 581 in his possession longer than ten (10) days; therefore, the bill becomes law without the Governor's signature.



- Need copy of Law
- Need Resolution to Oppose
- Ask state to Rescind it

OFFICE OF SHERIFF JAMES L. BERRONG

F.6.C

Dave NEEDS BY NOON

November 28, 2005

Dave Bennett, and members of the Budget Committee
Blount County Government
341 Court Street
Maryville, TN 37804-5906

Dear Mr. Bennett and members of the Budget Committee:

I am writing you this letter to discuss the new state law that takes effect January 1, 2006. It is Public Chapter No. 504, and it amends TCA Section 55-10-403, relative to the punishment for the offense of driving under the influence of an intoxicant.

Public Chapter No. 504 states that a person who is charged with a DUI and sentenced to serve 48 hours in jail now has the option of serving 24 hours in jail, and serving the other 24 hours removing litter along state route highways or state-aid highways. The offender can serve this 24 hours in three shifts of eight consecutive hours. The offender can basically pick and choose the days that he wants to work the shift so that it doesn't interfere with his or her regular employment. It can also only be worked during daylight hours.

This is an unfunded state mandate. We do not have the resources of either money or manpower to take on this new state mandated law. We simply do not have the availability of manpower to send an officer with a special litter crew at times of their choosing.

I am requesting that the Budget Committee give the Sheriff's Office direction on this matter. Please let me know if you require any additional information. Thank you for your assistance.

Sincerely yours,

Jeff French
Asst. Chief of Administration



RUSSELL JOHNSON
STATE REPRESENTATIVE
21ST LEGISLATIVE DISTRICT

HOME:
600 GROVE STREET
P.O. BOX 358
LOUDON, TENNESSEE 37774
(865) 458-5634

LEGISLATIVE OFFICE:
110 WAR MEMORIAL BUILDING
NASHVILLE, TENNESSEE 37243-0121
(615) 741-3736

House of Representatives State of Tennessee

NASHVILLE

MEMBER OF COMMITTEES:
JUDICIARY
CONSERVATION & ENVIRONMENT

CHAIRMAN
WILDLIFE SUBCOMMITTEE

VICE CHAIRMAN
CIVIL PRACTICE & PROCEDURE
SUBCOMMITTEE

MEMBER OF SUBCOMMITTEES:
CRIMINAL PRACTICE & PROCEDURE
JUDICIAL ADMINISTRATION

November 29, 2005

Honorable County Mayors of
Blount, Loudon, Monroe and Roane Counties

Honorable City Mayors of
Kingston, Loudon, Madisonville,
Maryville and Vonore

Re: 278th RCT Memorial Highway

Dear Mayor:

WOODRUFF

Please find enclosed a press release I have sent out regarding my plan to name Highway 72 the "278th RCT Memorial Highway". The designation will begin from where it meets Highway 129 in Blount County, through Monroe County and Loudon County, and up to where it meets Highway 58 in Roane County. I envision a sign in each of the four counties: one at Hwy 129 in Blount County, a second at Hwy 411 near Vonore in Monroe County, a third near the I-75 interchange in Loudon County and the fourth at Hwy 58 in Roane County. The sign will have the designation "278th RCT Memorial Highway" with the insignia of the unit (three rivers in blue and three white stars on the circular background of green), as well as the service medals from both Korea and Iraq. At some appropriate places along the route I envision two other signs or possibly concrete markers as memorials, one with the names of those members of the unit killed in Korea and the second with the names of those members of the unit killed in Iraq.

I think it is fitting for the route to be located along Highway 72 because we had servicemen from units in Blount, Loudon and Monroe killed in Iraq. Hopefully, family members and members of the 278th will travel Highway 72 to view the signs and markers. They can include the route as part of their travels plans to the Smokies, the Dragon' Back or Cherohalla Skyway, as well as all this area has to offer with the many lakes and mountains. This will tie in well with the Veterans' Flag Memorial in Madisonville located within minutes of the route. This designation will not effect the 911 system and it will not cause a need for address changes (think of the Lamar Alexander Parkway which is Hwy 321 through Loudon, Blount and Sevier).

I will ask the Senators from all three counties (Kilby, McNally and Finney) to be the co-sponsors in the Senate. Representatives Ferguson, McCord, Overbey and McKee will help me co-sponsor the measure in the House. I would like for your respective

E-MAIL: rep.russell.johnson@legislature.state.tn.us



Rep. Russell Johnson
Page 2
11/29/05

legislative bodies to consider resolutions or letters of support for this project. Also, I will be contacting the Chamber of Commerce and veterans organizations for their support and participation. Either Memorial Day 2006 or July 31, 2006 (the 60th anniversary of the birth of the 278th RCT), will make for a good dedication of the route. I look forward to it and hope that you do as well.

Sincerely,

A handwritten signature in black ink, appearing to be "Russell Johnson".

Russell Johnson
21st District State Representative

House of Representatives
State of Tennessee



Press Release

For Immediate Release

Contact: Russell Johnson, (865) 458-5634

Representative Russell Johnson to Name Hwy 72 as the 278th RCT Memorial Highway

Markers would honor individual soldiers who died in combat

(Nashville, Tenn., November 28, 2005) – Representative Russell Johnson (R-Loudon) announced plans at separate speeches in Tellico Village and Loudon on Veterans' Day to name State Route 72 as the "278th RCT Memorial Highway" in memory of those members of the regiment who paid the ultimate sacrifice during the unit's recent deployment in Iraq and during its participation in the Korean War. The designation will be indicated by signs along the highway with plans for signs or markers listing the names of the guardsmen killed in Iraq as well as those killed in combat during the Korean War.

"I think this will serve as a fitting tribute to those members of the 278th who gave their lives fighting for our country – in Korea by meeting the threat of communism and in Iraq by trying to thwart terrorism and to establish democratic principles of government." The legislation to establish the memorial highway from Roane County, through Loudon and Monroe Counties and over into Blount County will be sponsored in the Tennessee Senate by Senators Randy McNally and Tommy Kilby and co-sponsored in the House with Johnson by Representatives Ferguson, McCord, McKee and Overbey. Representative Johnson added, "Family members of the fallen as well as servicemen and women of the 278th who returned to Tennessee can come with their families, drive the highway, visit the markers and appreciate that their fellow Tennesseans want to honor their service and their fallen comrades."

In his speeches Representative Johnson recounted the history of Tennessee's "militia" from the days of the Overmountain Men of the Revolutionary War, through the volunteer efforts of Tennesseans in the War of 1812, the war with Mexico, the War Between the States and up through the establishment of the National Guard Units that were federalized and participated in WW I and WW II.

The 278th Regimental Combat Team was formed from the 117th Regiment on July 31, 1946 and became the main National Guard unit from East Tennessee. The unit was mobilized during the Korean War from September 1950 through September 1954. The 278th was mobilized again in June 2004 for training in Mississippi and eventual service in Northern Iraq for almost a full year with most members returning home by this past Veterans' Day.

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December 1, 2005

By Recommendation of the Public Services Committee

RESOLUTION REGARDING THE ADDITION OF AN EXTENSION OF HAROLD DRIVE TO THE OFFICIAL ROADS LIST FOR BLOUNT COUNTY, TENNESSEE.

RESOLUTION

WHEREAS, certain roads in Blount County are maintained by the Blount County Highway Department and are listed on Blount County's "Official Roads List for Blount County, Tennessee"; and,

WHEREAS, the aforementioned "Official Roads List for Blount County, Tennessee" was adopted by the Blount County Quarterly Court in October, 1975; and,

WHEREAS, a portion of what is now known as HAROLD DRIVE, located in the fourteenth civil district of Blount County, Tennessee, off Southwind Drive was included on the "Official Roads List for Blount County, Tennessee" and has been maintained by the Blount County Highway Department since the completion of its construction and the approval of the final plat of Harold Hills Subdivision in 1971; and,

WHEREAS, a subsequent extension to HAROLD DRIVE of some 590 feet in length and 25 feet to 27 feet in width with a rights-of-way width of 50 feet was constructed to the required specifications after the approval of the aforementioned Harold Hills Subdivision plat, but a plat containing the extension of Harold Drive apparently was never approved nor submitted with any request for approval by the Blount County Planning Commission, said extension which together with a short segment of graveled road some 200 feet in length comprising a connection of HAROLD DRIVE with Parrott Road; and,

WHEREAS, a petition has been received from residents and motorists in the community requesting that the presently non county-maintained portion of HAROLD DRIVE, with an approximate length of 590 feet, an average road width of some 25 feet or more and an average rights-of-way width of 50 feet and an additional 200 feet of HAROLD DRIVE having a graveled surface averaging some 11 feet in width, said total of 790 feet of road be added to the "Official Roads List for Blount County, Tennessee"; and,

WHEREAS, for ease and convenience of the Blount County Highway Department in its required maintenance of HAROLD DRIVE and Parrott Road, it is prudent that the aforementioned portions of Harold Drive be added to the "Official Roads List for Blount County, Tennessee" thereby forming a "loop" comprised of Southwind Drive, HAROLD DRIVE and Parrott Road;

NOW, THEREFORE, BE IT RESOLVED by the County Legislative Body of Blount County, Tennessee, in regular session on this the 15th day of December, 2005, on condition of the granting to Blount County the existing 50 feet wide road rights-of-way and any additional required rights-of-way not already provided for, said additional rights-of-way having a minimum width of not less than 30 feet, that all of that "private" portion of HAROLD DRIVE extending from the present county-maintained portion of HAROLD DRIVE to an intersection with Parrott Road shall be added to the "Official Roads List for Blount County, Tennessee" according to the lengths and widths previously described herein, that the total length of new road to be added to the "Official Roads List for Blount County, Tennessee" shall be approximately 790 feet.

Duly passed and approved this 15th day of December, 2005.

Approved:
Commission Chairman

Approved:
County Mayor

Attested:
Blount County Clerk

Vetoed:
County Mayor

RESOLUTION No. _____

Sponsored by: _____ and _____

A RESOLUTION REQUESTING THAT THE BLOUNT COUNTY LEGISLATIVE DELEGATION SEEK IMMEDIATE AUTHORITY FOR BLOUNT COUNTY TO IMPLEMENT AND COLLECT A PRIVILEGE TAX ON NEW RESIDENTIAL AND NONRESIDENTIAL LAND DEVELOPMENT IN THE COUNTY.

WHEREAS, Blount County has previously requested legislative authority for a privilege tax on development; and

WHEREAS, no action has been taken to date by the State of Tennessee.

NOW, THEREFORE BE IT RESOLVED, by the Board of County Commissioners of Blount County, Tennessee, that the Commission hereby requests the State to take immediate action in regards to this legislation.

Adopted this _____ day of _____, _____.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date



DOUG OVERBEY
STATE REPRESENTATIVE
20TH LEGISLATIVE DISTRICT

201 WAR MEMORIAL BUILDING
NASHVILLE, TENNESSEE 37243-0120
(800) 449-8366 EXT. 10981
(615) 741-0981
FAX (615) 253-0224

P.O. Box 5316
Maryville, TN 37802-5316
(865) 681-8236

House of Representatives
State of Tennessee

NASHVILLE

COMMITTEES
FINANCE, WAYS AND MEANS
HEALTH AND HUMAN RESOURCES
CALENDAR AND RULES
ETHICS

SUBCOMMITTEES
BUDGET
HEALTH CARE FACILITIES
CHAIRMAN

SELECT COMMITTEES
CHILDREN AND YOUTH

December 8, 2005

The Honorable Randy Rinks
Chairman
Tennessee Advisory Commission on Intergovernmental Relations
Legislative Plaza, Suite 18
Nashville, TN 37243-0171

Dear Randy:

During the 2005 legislative session several bills dealing with impact fees and adequate facilities taxes, including HB 1397 authorizing the "Blount County Adequate Facilities Tax," were referred to TACIR for study and comment.

Several folks in the Blount County government have inquired as to where these bills currently stand. I would appreciate it if you would advise me as to where TACIR is in its study of the various bills referred to it. I suspect TACIR will be issuing a report and would like to know, if so, will the report be released? Finally, if any additional hearings are scheduled on these bills, I would like to have advance notice thereof.

I appreciate your attention to this matter and look forward to receiving your response.

Sincerely,

Doug Overbey
State Representative

c: Hon. Robert Ramsey, DDS
Chairman, Blount County Commission

Hon. David Bennett, CPA
Blount County Finance Director

Hon. Mike Walker
Blount County Commissioner

Blount County Government
Brokerage Services for Medical and Dental Group Insurance

Contract Terms:

1. Fees will be guaranteed from January 1, 2006 to December 31, 2006.
2. Benefit plan renewals will be negotiated at least sixty (60) days prior to their effective date.
3. Brokerage contract renewals will be negotiated at least ninety (90) days prior to their effective date.
4. Either side may terminate the contract at any time, for any reason, with sixty (60) days prior notice.
5. Strategic Employee Benefit Services – The Pruett Group, Inc. (SEBS) shall be responsible for coordinating any change in plans with Blount County Government's current carrier / administrators and open enrollment for employees and retirees.
6. A contract shall be entered into between Blount County Government and SEBS no later than December 31, 2005.

I hereby agree to meet the SEBS contractual requirements with Blount County Government.

Beth M. Beam, RHU

Authorized Representative (Print Name)

Employee Benefit Specialist

Title

Beth M. Beam

12/07/05

Date

Signature

Strategic Employee Benefit Services – The Pruett Group, Inc.

Company

Blount County Government
Brokerage Services for Medical and Dental Group Insurance

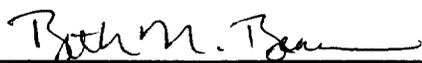
Fees for Service - Contract Period: 1/1/06 – 12/31/06

Strategic Employee Benefit Services – The Pruett Group, Inc. (SEBS) agrees to accept and receive fees of \$2.00 per employee per month for fees for brokerage services for Blount County Government's employee group health and dental insurance plans. Employee count will be taken at month end and then invoiced in arrears.

IN WITNESS WHEREOF, the parties have entered into this Contract intending to be bound on and after January 1, 2006 ("Effective Date").

Northwestern Mutual Financial Network Representative Kevin Proffitt, CLU, ChFC, CFP™

Strategic Employee Benefit Services – The Pruett Group, Inc.

Beth M. Beam, RHU	Employee Benefit Specialist
_____ Authorized Representative (Print Name)	_____ Title
	12/07/05
_____ Signature	_____ Date

Blount County Government

_____ Authorized Representative (Print Name)	_____ Title
_____ Signature	_____ Date

Blount County Government

Brokerage Services for Medical and Dental Group Insurance

Addendum

Brokerage and Consulting Services

Strategic Employee Benefit Services – The Pruett Group, Inc. (SEBS) will provide the following brokerage and consulting services to Blount County.

Review, Research & Recommendation

- SEBS will facilitate “pre-planning” sessions with Blount County prior to the annual renewal process for the purpose of development of long-range goals and strategies and to identify key objectives for the upcoming annual renewal.
- Comprehensive review of current contracts, benefits, costs, claims, utilization, market trends and current renewal information.
- Recommendation of plan design based on financial objectives, program utilization and management’s philosophy concerning employee benefits.
- Clearly identifying specific products and services, and appropriate vendors to bid.
- Clearly describing to prospective bidders any special conditions related to procurement.
- Allowing prospective bidders to submit thorough and comparable proposals, and offer alternatives in addition to strict compliance with the RFP.

Negotiation

- SEBS will represent Blount County in all negotiations with providers on issues relating to premiums, service, benefit levels, plan design and special terms and conditions.

Implementation

- Finalize benefit designs, secure final rates and complete contractual paperwork.
- SEBS will manage annual open enrollment meetings. SEBS will also coordinate the design and delivery of health benefit brochures and compile and provide final reports to the Blount County HR department after enrollment is complete.
- Implement benefit plan through employee orientation and educational meetings.
- Train administrative staff on enrollment, termination and all administration procedures.

Additional Services Provided

SEBS will review and assist with disputes that arise from time to time regarding coverage, billing questions and service delivery. Measures will be taken to ensure that SEBS provides Blount County with knowledgeable consulting and exceptional service.

Reporting

- SEBS will provide monthly reports to carefully monitor the progress of the employee benefits program. Information to be provided includes medical loss reports, network discounts, shock claims and trend information. SEBS will also provide special studies and reports as requested by Blount County Government.
- A mid-year report will be provided to Blount County. In this report, SEBS will look at cost trends and plan utilization in order to assist the Blount County Government staff in the preparation of budget numbers and to provide estimates of future renewal rates.
- SEBS will prepare an annual report of the employee benefits program with respect to program objectives and performance. This report will address the quality and adequacy of benefits provided, pharmacy/medical utilization, cost effectiveness, competitiveness, and plan administration. This report will include prior year comparisons and trend information. Recommendations will be provided regarding any changes in terms, conditions and limits.

Benefit Fairs or Programs

- Attend, promote and assist with meetings with Blount County staff, committees and general employee population.
- Participate in and provide resources for Blount County sponsored benefit fairs including refreshments, door prizes, give-aways, displays, literature and other educational materials.

Seminars

- Provide two half-day seminars (or other comparable training) annually – at SEBS expense – on topics of interest to the County's HR staff.
- Facilitate "lunch and learn" meetings with key providers and or employees on an as needed basis.
- Reinvest in County's benefit program by providing technology, staff training and carrier-site visits.

Customized Communications

- Surveys and Survey Analysis
- Payroll Stuffers
- Open Enrollment Reminders
- Benefit Plan Change Announcements
- Breakroom Posters
- Newsletter Inserts
- Employee Benefit Selection Forms
- Employee Contribution Confirmation Forms

Confidentiality

- Business Associate Agreements to ensure employee and employer confidentiality in all matters
- Includes group health plan's use and disclosure requirements under HIPAA Privacy Rules

Trends and Legislation

- SEBS constantly monitors the industry for developments in areas like employee benefits issues, industry trends, and relevant legislation (including COBRA, HIPAA, Medicare, FMLA, CFRA, ADA, and IRS rules).
- SEBS will consult with Blount County Government on these issues as they arise, making recommendations on their potential impact on the employee benefits program.

Financial Management

- Review quarterly reports from insurance carriers to determine financial, utilization, and any administration issues.
- Review quarterly reports with management
- Monthly summaries and synopsis of claims versus costs

Benchmarking Studies

- Benchmarking studies will be completed prior to each annual renewal period. These studies will compare the Blount County's benefits program to other firms based on industry and geographic regions. Particular attention will be paid to benefit plan designs and cost structures.

Financial Status

- SEBS will provide an annual summary of the financial status of insurers and also monitor these firms throughout the year for signs of changing financial status.

Actuarial Services

- We retain and frequently use the services of an independent healthcare actuary for second opinions, cost projections and renewal contract negotiation purposes. This information is particularly useful as we work with underwriters during the renewal process, and services are provided at SEBS expense.

Legal Assistance

- We have access to local legal counsel when ERISA expertise is required, and we will provide five hours annually at SEBS expense.

Proposal Writer

- SEBS will employ a proposal writer to assist in the development of future RFPs as well as other important communications.

Health and Wellness Initiatives and Promotions

SEBS will provide Blount County with knowledge, communication tools and support that focus on health improvement and not just health care reimbursement. SEBS will help Blount County focus on active education and beneficial communications that can result in savings.

Additional Services

As mutually agreed and identified



E.I.A

RESOLUTION

Sponsored by:

A RESOLUTION THAT APPROVES AN AGREEMENT WHICH EXTENDS BEYOND THE END OF THE CURRENT FISCAL YEAR FOR MAINTENANCE BY INDENTIX INCORPORATED.

WHEREAS, Tennessee Code Annotated §5-14-108 (m) (1) states that the county purchasing agent is authorized to purchase and contract to purchase materials, supplies, equipment and contractual services on a fiscal year basis, but no commitment shall be made which extends beyond the end of the current fiscal year for which appropriations have been made by the county legislative body, except such commitments as are authorized by resolution of the county legislative body; and

WHEREAS, the Blount County Purchasing Agent has approved a Maintenance Agreement with Identix Incorporated for maintenance of Touchprint Fingerprinting Equipment for Blount County Sheriff's Office for one year and twenty eight days.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Blount County, Tennessee, meeting in regular session assembled this 15th day of December, 2005, that a Maintenance Agreement with Identix Incorporated be approved for Blount County, Tennessee.

BE IT FURTHER RESOLVED that this resolution take effect from and after its passage, and that any part of any prior resolution to the contrary is hereby declared null and void, the public welfare requiring it.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: _____

**Vetoed: _____
County Mayor**

Date



RESOLUTION No. _____

Sponsored by Commissioners Gary Farmer and Robert Ramsey

A RESOLUTION TO ALLOW SAFE PASSAGE IN BLOUNT COUNTY, TENNESSEE FOR A CERTAIN VISITOR FROM THE NORTH POLE.

BE IT RESOLVED, by the Board of Commissioners of Blount County, Tennessee, in session assembled this 15th day of December, 2005:

WHEREAS, runways at the McGhee Tyson Airport have been extended; and

WHEREAS, the Superintendent of Highways has worked with the Tennessee Department of Transportation on facilitating a safe landing pad in Blount County; and

WHEREAS, the inspection of Santa's sleigh has revealed that the sleigh, while old, is in remarkable condition; and

WHEREAS, by recommending the proper diet and exercise throughout the year, the veterinarians of Blount County have given a clean bill of health to eight tiny reindeer; and

WHEREAS, the antlers have been painstakingly polished by Sheriff's Department inmates; and

WHEREAS, the Sheriff's Department deputies are willing to give their time and effort to protect travel on December 24; and

WHEREAS, the physicians in the county have examined this portly old gentleman from the North Pole and found him in the best of health.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF BLOUNT COUNTY, TENNESSEE that this portly old gentleman be extended all the rights, courtesies, and privileges to travel throughout this county to deliver gifts, good will, charity, happiness, and joy to all Blount Countians; and

BE IT FURTHER RESOLVED that a point in time be called from December 24 at 6:00 pm to December 25 at 6:00 am and that the Blount County Legislative Body wishes all a Merry Christmas and a Happy New Year.

BE IT FURTHER RESOLVED that this resolution shall become a part of the official records of the Board of County Commissioners of Blount County, Tennessee.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved: ____

Vetoed: _____
County Executive

Date

INTERGOVERNMENTAL COMMITTEE
MINUTES
December 6, 2005

The Intergovernmental Committee of the Blount County Board of County Commissioners met on Tuesday, December 6, 2005, at 7:00 p.m. at the Blount County Courthouse. Roll call was taken:

Keith Brock – present	Steve Gray – present	Dan Neubert – absent
Bob Evans – absent	Steve Hargis – present	Shirley Townsend - absent
Joe Everett – present	Jeff McCall – absent	Mike Walker – present
Gary Farmer – present	Kenneth Melton – present	

There were 7 present and 4 absent. Bob Kidd substituted for Bob Evans and Bob Arwood substituted for Shirley Townsend. Jeff McCall arrived after the roll was taken. Chairman Gray declared a quorum to exist.

IN RE: MINUTES OF NOVEMBER 8, 2005 MEETING.

Keith Brock made a motion to approve the minutes of the November 8, 2005 meeting. Steve Hargis seconded the motion. A voice vote was taken with Chairman Gray declaring the motion to have passed.

IN RE: APPOINTMENT TO INSURANCE/RISK MANAGEMENT COMMITTEE.

Gary Farmer made a motion to recommend the appointment of Robby Kirkland to the Insurance/Risk Management Committee to replace Mike Walker who resigned. Steve Hargis seconded the motion. A voice vote was taken with Chairman Gray declaring the motion to have passed.

IN RE: RESOLUTION REQUESTING THAT THE BLOUNT COUNTY LEGISLATIVE DELEGATION SEEK IMMEDIATE AUTHORITY FOR BLOUNT COUNTY TO IMPLEMENT AND COLLECT A PRIVILEGE TAX ON NEW RESIDENTIAL AND NONRESIDENTIAL LAND DEVELOPMENT IN THE COUNTY.

Gary Farmer made a motion to recommend the resolution to the County Commission. Kenneth Melton seconded the motion. A voice vote was taken with Chairman Gray declaring the motion to have passed.

IN RE: ADJOURNMENT.

Chairman Gray declared the meeting to be adjourned.

PUBLIC SERVICES COMMITTEE
MINUTES
December 6, 2005

The Public Services Committee of the Blount County Board of County Commissioners met on Tuesday, December 6, 2005, at 6:00 p.m. at the Blount County Courthouse. Roll call was taken by Roy Crawford, Jr., County Clerk:

Bob Arwood - present	David Graham - present	Robby Kirkland - absent	Ernie Tallent - absent
Dennis Cardin – present	John Keeble – present	Bob Ramsey – present	
Donna Dowdy – present	Bob Kidd – present	Otto Slater – absent	

There were 7 present and 3 absent. Gary Farmer substituted for Robby Kirkland. Chairman Kidd declared that a quorum existed.

IN RE: MINUTES OF NOVEMBER 8, 2005 MEETING.

Dennis Cardin made a motion to approve the minutes. John Keeble seconded the motion. A voice vote was taken with Chairman Kidd declaring the motion to have passed.

IN RE: BEER BOARD.

The Beer Board approved the minutes of the November 8, 2005 meeting.

IN RE: RESOLUTION TO OPPOSE PUBLIC CHAPTER NO. 504, AMENDING TCA SECTION 55-10-403 REGARDING THE PUNISHMENT OF DRIVING UNDER THE INFLUENCE OF AN INTOXICANT.

John Keeble made a motion to send the resolution to the County Commission for approval. David Graham seconded the motion. A voice vote was taken with Chairman Kidd declaring the motion to have passed.

IN RE: PLAN TO NAME HIGHWAY 72 THE “278TH RCT MEMORIAL HIGHWAY.

David Graham made a motion to recommend the plan to the County Commission. Donna Dowdy seconded the motion. A voice vote was taken with Chairman Kidd declaring the motion to have passed.

IN RE: RESOLUTION REGARDING THE ADDITION OF AN EXTENSION OF HAROLD DRIVE TO THE OFFICIAL ROADS LIST FOR BLOUNT COUNTY, TENNESSEE.

John Keeble made a motion to send the resolution to the County Commission for approval. Bob Ramsey seconded the motion. A voice vote was taken with Chairman Kidd declaring the motion to have passed.

IN RE: ADJOURNMENT.

Chairman Kidd declared the meeting to be adjourned.

BEER BOARD
REGULAR MEETING
DECEMBER 6, 2005

The Blount County Beer Board met in regular session on Tuesday, December 6, 2005, at 6:00 p.m. Present were Bob Arwood; Dennis Cardin; Donna Dowdy; David Graham; John Keeble; Bob Kidd, chairman; Bob Ramsey; and Roy Crawford, Jr., Beer Board Secretary. Chairman Kidd declared a quorum to exist.

IN RE: APPROVAL OF MINUTES OF NOVEMBER 8, 2005 BEER BOARD MEETING.

Bob Ramsey made a motion to dispense with the reading and approve the minutes. Dennis Cardin seconded the motion. A voice vote was taken on the motion with Chairman Kidd declaring the motion to have passed.

IN RE: ADJOURNMENT.

John Keeble made a motion to adjourn the meeting. David Graham seconded the motion. A voice vote was taken with Chairman Kidd declaring the meeting to be adjourned.

BLOUNT COUNTY EDUCATION COMMITTEE
Tuesday, November 8, 2005 - 12:00 noon
Carpenters Middle School

MINUTES

Members Present: John Keeble, Donna Dowdy, Steve Hargis, and Shirley Townsend

Members Absent: Bob Evans, Joe Everett, and Robby Kirkland

Others Present: Rob Britt, Jim Scully, Don McNelly, Brian Bell, Booty Miller, Troy Logan, Bonny Millard, and Harry Grothjahn

Chairman John Keeble called the meeting to order.

Approval of Minutes

Steve Hargis made a motion, which was seconded by Shirley Townsend, to approve the minutes of October 11, 2005. A voice vote was taken and Chairman Keeble declared the motion to have passed.

Reports

Update on Maintenance/Construction Projects

Brian Bell gave a report on School Maintenance and Construction Projects. Dr. Bell gave an update on the William Blount Middle School project. He stated the boilers have been changed out and two more smaller efficient units have gone in and are being inspected by the State boiler inspector this afternoon. He stated he and Doug McClanahan have ordered the bigger lock boxes. Dr. Bell stated Porter was finished and had been approved by the Fire Marshall. He stated they may change out two units for the HVAC systems over Christmas if they have some money left in Phase III, as well as making roof repairs on William Blount High School. There was no action taken in this matter.

New School Report

Dr. Bell stated they had taken a proposal to the new Finance Committee regarding the new school and they had voted to pass it on to the General Commission. Dr. McNelly asked about the financing of the new school and the Civic Arts Center. John Keeble stated the financing of the Civic Arts Center would have no effect upon the financing of the new school since the financing of the Civic Arts Center, if passes, would be ten years down the road and it should have no bearing at all on building new schools. There was no action taken in this matter.

Financial Report

Troy Logan gave a Financial Report. He stated the two major things that may affect their operating expenses would be increased fuel costs for bus owners and natural gas costs increases. John Keeble asked if their fund balance still remained at what the state requires. Troy Logan stated their fund balance is at \$587,000.00 above the required 3%. Steve Hargis asked if there was any money left over in the fuel accounts if the excess would go back in to fund balance. Troy Logan stated yes, it would. There was no action taken in this matter.

Education Cable Programming Station for the Walland/Townsend Area

John Keeble asked Brian Bell if he had any information regarding the educational programming for the Townsend/Walland area. Brian Bell stated he planned to attend the next meeting. John Keeble stated they would know more about that after the meeting on Monday night. There was no action taken in this matter.

Other

Rob Britt, Principal of Carpenters Middle School, informed the Committee that they had teamed up with Keep Blount Beautiful and were awarded a \$25,000.00 grant to plant 150 trees on their campus. He stated volunteers had come to help with the ground and planting of the trees. Dr. Britt stated part of the grant was to teach their students about conservation and upkeep of the trees. Rob Britt stated they have 740 students enrolled and stated their academic capacity is 770. He also gave a report on their academic report card. Dr. Britt stated they had some problems with their air conditioning units and that the units in some of the classrooms were very loud. He informed the committee of some problems concerning their athletic facilities/fields. John Keeble asked Brian Bell concerning moving the problem concerning the noisy air conditioners up to top priority. Rob Britt thanked the committee for coming to Carpenters Middle School. There was no action taken in this matter.

Dr. McNelly asked questions regarding the property across from William Blount High School. Further discussion regarding concerns of this property continued. There was no action taken in this matter.

Next Meeting

The next meeting will be on Tuesday, December 6, 2005, at 12:00 noon at Blount County Schools Central Office.

Adjournment

The Education Committee adjourned to take a tour of the construction site of the new Carpenters Elementary School. Chairman Keeble declared the meeting to be adjourned. The Education Committee Meeting adjourned on November 8, 2005.



BLOUNT COUNTY EDUCATION COMMITTEE
Tuesday, December 6, 2005 - 12:00 noon
Blount County Schools Central Office

MINUTES

Members Present: John Keeble, Donna Dowdy, Steve Hargis, and Robby Kirkland

Members Absent: Bob Evans, Joe Everett, and Shirley Townsend

Others Present: Don McNelly, John Davis, Charles Finley, Booty Miller, Brian Bell, Troy Logan, Bonnie Millard, and Stephen McLamb

Chairman John Keeble called the meeting to order.

Approval of Minutes

Steve Hargis made a motion, which was seconded by Robby Kirkland, to approve the minutes of November 8, 2005. A voice vote was taken and Chairman Keeble declared the motion to have passed.

Reports

Update on Maintenance/Construction Projects

Brian Bell gave a report on School Maintenance and Construction Projects. Dr. Bell gave a progress report on the Carpenters Elementary School project. He stated they had the slab poured and the steel going up over the gym and cafeteria. He stated under the academic wing they have the ductwork done and the sprinkler systems going in. He also stated that the outdoor parking lot lights are installed. Dr. Bell stated things are going well and ahead of schedule.

Dr. Bell gave an update on the lock boxes and other projects at the other schools. He stated the new boilers at William Blount Middle School were running well and at Heritage High School there were new windows in the commons area. He stated next Monday they would begin demolition of the chiller at William Blount High School and replace it with a new chiller. There was no action taken in this matter.

New School Report

Dr. Bell gave a report. Kenneth Melton asked concerning the New Carpenters School, what schools will it relieve. Brian Bell stated it would take about 200 kids from Lanier, about 180 kids out of Montvale, and about 50 kids out of Fairview. He stated that one school will regulate the growth of the others. He stated, in essence, it will relieve Lanier and Montvale's overcrowding and will give Fairview more breathing room. There was no action taken in this matter.

Financial Report

Troy Logan gave a Financial Report. Troy Logan stated he had made a preliminary projection for 2005-06 that the amount in excess of 3% would be projected around \$472,000.00, and this would be before the budget amendments. John Keeble asked if this could bring it down below

the 3% and Troy Logan stated it could. Steve Hargis asked how much is allotted from BEP to Blount County Schools above and beyond other sources. Troy Logan stated the BEP Revenue budget is \$36.5 million. Troy Logan stated we get \$15.3 million for property tax plus other local taxes and Circuit Court Clerk fees, etc. Mr. Logan stated all of that is property revenue and is about \$16 million. He stated sales tax and business tax is about \$10.1 million. Mr. Logan stated our total budget is about \$66.7 million for the General Purpose School Fund. John Keeble asked what portion of the budget would be for salaries. Mr. Logan stated about 85%. There was no action taken in this matter.

Educational Cable Programming Station for the Walland/Townsend Area

John Keeble asked Brian Bell if he had any information regarding the educational programming for the Townsend/Walland area. Brian Bell stated they would know more about that after the meeting on Monday night. Dr. Bell stated there would be a solution. There was no action taken in this matter.

Fuel Adjustments for Bus Owners

John Keeble asked if the bus owners had been paid regarding fuel adjustments. Mr. Logan stated they have been paid through August, September, and October. Mr. Logan stated they would get compensation each month. Mr. Logan stated for every \$.05 they get one more penny, i.e., for \$.60 they get twelve additional cents per mile – that is how they calculate it. There was no action taken in this matter.

Long Range Building Program

Brian Bell gave a summarized report of the seven-year plan, with year one being 2005-2006. Dr. Bell explained about the capital improvement projects and the capital business projects. Dr. Bell explained two of the major areas under the capital improvement projects are for the Fire Marshall compliances and the second is the purchase of the new elementary school land and called the West Side Elementary School near Mary Blount, Friendsville, and Middlesettlements. He stated this would cost around \$500,000.00 to purchase property in this area. Dr. Bell stated to keep the high school on target, they would have Jeff Fletcher to come up with \$2,533,000.00 to keep the high school on tract with it scheduled to open 2009-2010. He stated the total for 2005-2006 would be about \$3,100,000.00. Dr. Bell gave further explanation of the plan and further discussion followed. There was no action taken in this matter.

Next Meeting

The next meeting will be on Tuesday, January 10, 2006, at 12:00 noon at Blount County Schools Central Office.

Adjournment

Donna Dowdy made a motion, which was seconded by Robby Kirkland, to adjourn the meeting. A voice vote was taken with Chairman Keeble declaring the motion to have passed. The Education Committee adjourned on December 6, 2005.

FINANCE COMMITTEE/PURCHASING MEETING

Monday, November 7, 2005 – 5:30 p.m.

Room 430, Blount County Courthouse

Minutes

Members Present: Bill Dunlap, Alvin Hord, Kenneth Melton, David Graham, Mike Walker, Bob Kidd, Dave Bennett (ex-officio), Judy Hackney

Members Absent: Mayor Beverley Woodruff

Others Present: Julie Talbott, Dana Lamson, Joy Bishop, Linda Hageman, Darlene Busey, B.D. Busey, Alan Reihl, Troy Logan, Carolyn Forster, Fred Forster, Susan Colclough, Rodney Lawler, Pat Delashmit, Elizabeth Welch, Mark Hall, Adrienne Schwarte, Chad Berry, Robert Bonham, Karol Smith, Roy Smith, Andy White, Alex Youn, see also sign-in sheet

Input on Items on the Agenda

Civic Arts Center

Alan Riehl-Theatre Tech Director for Maryville College-supports the Civic Arts Center. He stated that if you build it, they will come. Educated people enjoy the arts and they support it financially.

Wayne Dunn-Maryville College-supports the Civic Arts Center-says that it will attract those fleeing from Knoxville.

Steve West-Owner West Chevrolet-supports the Civic Arts Center and feels that kids exposed to fine arts do better in school and that it makes economic sense.

Doug Horn-Accountant-speaking from the Downtown Association supports the Civic Arts Center and sees it as a vital addition to Blount County adding to the education.

Kevin Clayton-Clayton Homes-supports the Civic Arts Center and explained that Clayton Homes came to Blount County because of the economy and the assets are great except in the area of performing arts. He thinks that private dollars will go away if no contribution is made.

Mrs. Linda King-does not feel Blount County should assist in the funding of the Civic Arts Center.

Herb Hanley-Blount County Visitors Bureau-supports the Civic Arts Center due to lack of opportunities to host conventions and conferences.

Aldine Johnson-Maryville College Student supports the Civic Arts Center and feels there is a necessity for such a place that would offer an adequate amount of climate controlled space.

Carolyn Forster-Nine Counties/One Vision-supports the Civic Arts Center as a life long citizen of East Tennessee.

Ryan Phelps-Blount County citizen voiced support of the arts and feels there would be an economic increase.

Linda Hadman-Resident of 6 years and retired from the school system supports the Civic Arts Center stating that it would show a commitment to education and the development of kids. It would channel music to learning more.

Pat Dilichman-supports the Civic Arts Center in that it would provide a more educated work force because of what the children are exposed to.

Kenneth Melton-Blount County Commissioner-feels it is a good project but not taxpayer responsibility. Commissioner Melton also mentioned that this would be committing to debt for

the County down the road and he agrees with Commissioner Graham that a new High School is needed and possible other schools in the future due to residential growth.

David Graham-Blount County Commissioner-Noted that Blount County is attractive because of jobs and education. Commissioner Graham also mentioned maintaining or reducing the property tax rate not necessarily spending it. He feels that the needs of the County should be considered.

Bill Dunlap-Highway Superintendent-Noted that 17 voted on Phase II. What happens if one part does not happen as proposed? What is worst case scenario?

Dave Bennett-Assistant County Mayor/Finance Director-says \$0.44 in debt service will provide funding needed to cover Civic Arts Center when payments start in the 2013-2014 budget year.

Mike Walker-Blount County Commissioner-asked the questions "At the end of the payoff, who owns the center"? What State or Federal approval has to be done?

Dave Bennett-Finance Director-responding to questions and comments, at this point only Finance Committee and Commission approval is needed. The Civic Arts Center debt would be the same as all other county debt except the schools are able to provide additional private funding. The community fits together in that high pay and technical jobs relate to partnership with college. It would be a positive impact as recruiting mechanism without increasing the residential tax rate.

Input on Items Not on Agenda

Voting by Assistant County Mayor/Finance Director

The motion was made by Bob Kidd and seconded by David Graham to allow the Assistant County Mayor/Finance Director, Dave Bennett, to vote on items brought to the Finance Committee if cleared by the County Attorney. The motion passed.

Approval of Minutes

The motion was made by Kenneth Melton and seconded by Bill Dunlap to approve the minutes from the October 4, 2005 Finance Committee/Purchasing meeting. The motion passed.

Purchasing

Information Only

A list of sole source purchases and awarded bids was submitted. No action necessary.

Increases/Decreases

(all increases/decreases are forwarded on to the full Commission for approval)

Circuit Court Clerk

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase in the amount of \$10,836 to cover the expense of a temporary employee while another employee is out on Family Medical Leave. The motion passed. Mr. Dunlap recommended to Finance Director, Dave Bennett, that we look into setting up a new line item for budgeting purposes concerning temporary employee costs.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase for the Early Childhood Education program in the amount of \$500 due to the receipt of a gift from a local women's group, "\$10" club by chairperson Kay Overbey. The motion passed.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase for the Early Childhood Education program in the amount of \$77,566 to establish a preschool lottery grant budget based on state awarded amount. The motion passed.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase for the Regular Education program in the amount of \$45,000 due to the receipt of a grant awarded from the state department of special education in the amount of \$25,000 and funding from the Carl Perkins grant in the amount of \$20,000. These monies will be used to purchase Plato software for William Blount High School. The motion passed.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase in the amount of \$15,000 for fingerprinting and TBI background checks for potential new school employees. The revenue source is payments of \$48 per employee for each background check. The motion passed.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase in the amount of \$20,122 due to an increase in the annual subscription fee for the Blount County Fire Protection District. The motion passed. Kenneth Melton also suggested that the accounting department research the cost of coverage paid by other counties.

General Purpose School Fund

The motion was made by Bill Dunlap and seconded by Kenneth Melton to approve a budget increase in the amount of \$180,000 for the estimated cost of diesel fuel adjustments to contracted bus owners. The motion passed.

Carpenters Elementary School

The motion was made by Bob Kidd and seconded by Kenneth Melton to approve a budget increase in the amount of \$910,716 to cover the shortfall in the Carpenters Elementary School budget. The motion passed.

Transfers

The motion was made by Bill Dunlap and seconded by Bob Kidd to approve the following budget transfers:

1. General County-DGA grant-\$3,000 to offset employee insurance from County nurses malpractice insurance
2. General Purpose School-\$50,000 to align with state required new chart of accounts for tracking substitute teacher costs

The motion passed.

Items requiring a purchase order

The motion was made by Kenneth Melton and seconded by Bob Kidd to approve payment for the following invoice:

1. Information Technology-\$195.93 to SeTel

The motion passed.

Invoice date prior to purchase order date

The motion was made by Bob Kidd and seconded by David Graham to approve payment for the following invoices:

1. Property Assessor Reappraisal-\$301.16 to Staffing Solutions
2. Property Assessor-\$3,450.00 to Smart Data Strategies
3. Property Assessor Reappraisal-\$441.00 to Staffing Solutions
4. Highway Department-\$6,987.17 to Superior Pavement Marking Inc.

The motion passed.

Discussion/Possible Action

Civic Arts Center

The motion was made by Bob Kidd and seconded by Bill Dunlap to send to the full Commission a resolution with no recommendation detailing the County's obligation to the proposed Civic Arts Center. The motion passed.

Senate Joint Resolution 1 Relative to Property Tax Relief

The motion was made by Kenneth Melton and seconded by David Graham to send to the full Commission for review and without recommendation a resolution that opposes the Senate Joint Resolution 1 relative to property tax relief. The motion passed.

Proposed New Blount County High School

Information presented by the school department and forwarded to the full Commission as information only.

Meeting adjourned 8:08 p.m.

JAIL INSPECTION COMMITTEE
Wednesday, November 17, 2005 - 3:30 p.m.
Blount County Justice Center

MINUTES

Members Present: Jerry Marrow - Chairman, Bill Judkins, and Dan Campbell

Members Absent: Dave Bennett

Others Present: Correction Officer

Prisoner Count:

- 332 Prisoners (277 males, 55 females)

Observations:

Public Lobby - O.K. Very Clean.
Hallways - O.K. Very Clean.
Intake - O.K. Clean.
Visitation Area - O.K.
Medical - Inmate sleeping on the floor.
Other -
Kitchen - O.K.
Laundry - O.K.
Briefing Room - O.K.
Records Office - O.K.

C Pod - Clean.

C-1 - O.K.
C-2 - O.K.
C-3 - O.K.
C-4 - O.K.
C-5 - O.K.
C-6 - O.K.
C-7 - O.K.

D Pod - Clean.

D-1 - O.K.
D-2 - O.K.
D-3 - O.K.
D-4 - O.K.
D-5 - O.K.
D-6 - O.K.

There were no complaints from the prisoners, except an inmate would like to see the menu changed.

**BLOUNT COUNTY PLANNING COMMISSION
REGULAR SESSION
THURSDAY, OCTOBER 27, 2005
5:30 P.M.**

The Blount County Planning Commission met in regular session on Thursday July 29, 2005, at the Courthouse. Staff was represented by: John Lamb, Director of Planning and Douglas Hancock, Planner.

Commissioners Present: Chairman, Ed Stucky, Rick Brownlie, Gary Farmer, Steve Gray, Tom Hodge, Bob Kidd, Bruce McClellan, Kenneth Melton, and Jim Scully. Commissioners Absent: Joe Everett, Carl McDonald, and Bill Proffitt. (Commissioner McDonald arrived late)

The minutes of the September 22, 2005 regular monthly meeting were approved. Prior to the meeting, these were mailed to members for review.

HEARINGS

Concept Plans: None.

Preliminary Plats – Major Subdivisions: None.

Final Plats: Major Subdivisions:

Graham Property:

The Graham Property off Meadow Road is a proposed 7 lot subdivision with 3 lots having county road frontage and 4 lots to be served exclusively off of a 25' common driveway easement. The preliminary plat was approved by the Planning Commission in June, 2005 for 3 lots and remainder. The preliminary plat was originally presented as a seven lot subdivision and to phase the development to no more than four lots per 12 month period for final plat. A variance was granted for lots 1-3 to be served off common driveway easement and for the future four lots for safety purposes. Planning, Engineering, and Environmental Health Department staff recommended for approval of the final plat subject to:

- Note on final plat that lots 1-3 are to utilize common driveway only, no direct access along Meadow Road.
- Final inspection of common driveway with paved entrance.
- Final certification letter for all drainage facilities including certification of adequate compaction (to engineering standard) of the earthen dam constructed to create the detention pond.
- Final POA documentation to be recorded with the final plat.
- Signature Plats and a \$20.00 per lot platting fee.

Commissioner Kidd made the motion to approve the final plat as recommended by staff, seconded by Commissioner Brownlie. The motion to approve the final plat received unanimous approval.

Hidden Trace:

Hidden Trace off Mint Road is a proposed 6 lot subdivision with 4 lots served exclusively along a 25' common driveway easement and 2 lots with county road frontage. The plat comes before the Planning Commission for consideration of renewal of preliminary plat and final plat approval. The preliminary plat was approved in April, 2004 and expired in April, 2005. The Planning Commission has customarily renewed preliminary plats up to 24 months under the previously approved preliminary subdivision criteria. Planning, Engineering, and Environmental Health Department staff recommended for renewal of the preliminary plat and final plat approval subject to:

- Note on final plat that lots 1 and 3 are to utilize common driveway only, no direct driveway access along Mint Road.
- Final POA documentation to be recorded with final plat.
- Signature plats and a \$40.00 per lot platting fee.

Commissioner McClellan made the motion to approve the renewal of the preliminary plat and grant final plat approval as recommended by staff. The motion was seconded by Commissioner Melton and received unanimous approval.

Kinzel Springs Subdivision, Phase 5:

Kinzel Springs Subdivision, Phase 5 off Long Branch Road is a proposed 24 lot subdivision with a 50' paved private road easement and common driveway easements. The preliminary plat for Kinzel Springs Subdivision, Phase 5 was approved for 29 lots in March, 2005. Planning, Engineering, and Environmental Health Department staff recommended for final plat approval subject to:

- Final inspection of road, sewer, utility and erosion controls.
- Final POA documentation to be recorded with final plat.
- Water and Electric certifications on the final plat that all tracts are served by water and electric (or a surety posted for completion).
- East Sevier Utility District (Sewer System Manager) shall certify the installation and operation of the sewer system to serve these lots.
- Final signature plats and a \$40.00 per lot platting fee.

Commissioner Kidd made the motion to approve the final plat as recommended by staff, seconded by Commissioner McClellan. The final plat was approved unanimously.

Sawyer's Green Subdivision, Phase 1:

Sawyer's Green Subdivision, Phase 1 off Nails Creek Road is a proposed 41 lot subdivision to be served by proposed new county roads. The preliminary plat for Sawyer's Green Subdivision was approved by the Planning Commission in January, 2005 with 41 lots plus future development. Based on the current regulations, any future development shall include internal looping or alternative access into any future phase. Planning, Engineering, and Environmental Health Department staff recommended for final plat approval subject to:

- Final POA documentation to be recorded with the final plat which shall include a sight distance easement section. A note on the final plat for sight distance easement along lots 25, 26, and 27. Lots 26 and 27 shall have driveway access only off of the proposed new county road section and shall be noted on the final plat.
- Water and electric certifications on the final plat that all tracts are served by water and electric.
- Completion of all modifications to all drainage facilities as per staff. A re-certification letter including compaction statement and updated (as-built) drainage plans to be supplied from the project engineer. Final staff inspection shall occur prior to releasing any final plat.
- Final signature plats and payment of a \$40.00 per lot platting fee.
- "Phase 1" shall be added to final plat.

Commissioner McClellan made the motion to approve the final plat as recommended by staff, seconded by Commissioner Kidd. The final plat received unanimous approval.

Window Ridge Subdivision, Phase 1:

Window Ridge Subdivision, Phase 1 off Gregory Road is a proposed 22 lot subdivision off proposed new county roads with future development. The preliminary plat for Window Ridge was approved at the October 2004 regular meeting as the LBH Development with 24 proposed lots and future development. Planning, Engineering, and Environmental Health Department staff recommended for final plat approval subject to:

- Final POA documentation to be recorded with the final plat which shall include a sight distance easement section. A note on the final plat for a sight distance easement along lots 1, 13, 14 and 22. In addition, lots 1, 13, 14, and 22 shall have driveway access only off of the proposed new county road sections and shall be noted on the final plat.
- Water and Electric certifications on the final plat that all tracts are served by water and electric (or surety posted with appropriate utility).
- Up-dated certification letter including compaction statement and updated (as-built) drainage plans to be supplied from the project engineer. Final staff inspection shall occur prior to releasing any final plat.

- Final signature plats showing front setback line and a \$40.00 per lot platting fee.
- “Phase 1” shall be added to final plat.

Mr. Lamb noted that an advertisement had been placed inadvertently offering the lots for sale before the subdivision had received final plat approval. Mr. Lamb stated that he felt the ads were unintentional and that the ads had been withdrawn pending the approval of the final plat.

Commissioner McClellan made the motion to approve the final plat as recommended by staff, seconded by Commissioner Brownlie. The motion to approve the final plat received unanimous approval.

Preliminary and Final Plats – Major Subdivisions: None.

Preliminary and Final Plats – Minor Subdivisions:

Lumpkin Property:

The Lumpkin Property off of Cloyd’s Creek Road is a proposed 2 lot subdivision and a remainder greater than 5 acres. Planning Department staff recommended for preliminary and final plat approval subject to:

- Final Signature plats with all utilities and with any revisions from the Environmental Health Department.
- Payment of the \$20.00 per lot platting fee.

Commissioner McClellan made the motion to approve the preliminary and final plat as recommended by staff, seconded by Commissioner Farmer. The motion to approve the preliminary and final plat received unanimous approval.

Miscellaneous Items:

Extension of Preliminary Plat for Homestead West Subdivision, Phase 1:

The preliminary plat for Homestead West Subdivision, Phase 1 was approved at the May 2004 Planning Commission meeting and was granted extension to November, 2005. The present request is to extend preliminary plat approval for another six months, to May 2006. Planning Department staff recommended for renewal of the preliminary plat subject to the same notes at time of preliminary plat approval in May 2004. Commissioner McClellan made the motion to grant the extension of the preliminary plat to May 2006 as recommended by staff, seconded by Commissioner Farmer. The extension of the preliminary plat received unanimous approval.

Request for Variance for lot size by Rex Seaton:

This item comes deferred from the last meeting to allow review by the Environmental Health Department. Mr. Lamb stated that the size of the lots had been corrected from the September meeting. The proposed division contains roughly two equal lots of 14,450 square feet which would also not meet the minimum standard. Another concern raised at the September meeting was in regards to the dedication of right-of-way along Seaton Lane and Spruce Hill Road. This could potentially reduce the lot size even further. The two lots would then be 12,306 square feet for the interior lot on Seaton Lane and 10,849 square feet for the corner lot. Mr. Lamb stated that variances could be granted on the right-of-way for Seaton Lane. He stated that use of the driveway on Spruce Hill Road should not be hindered.

Planning Department staff recommended for approval of the variance request for lot size, and variance of right-of-way dedication off of Seaton Lane (contingent on approval of the Highway Department), and variance of right-of-way dedication along Spruce Hill Lane sufficient to mitigate any adverse impact on the existing housing units, with condition of no further expansion of the housing units will be allowed, and with condition that the Board of Zoning Appeals also consider favorable any required variance from zoning regulations.

Commissioner Gray asked for Mr. Lamb to explain why this variance request would need to be presented to the Board of Zoning Appeals. Mr. Lamb explained that the Zoning Regulations also required a lot size of 23,000 square feet in this zone on private septic. They would also have to vary the lot size regulation.

Commissioner McClellan asked if the Environmental Health Department knew where the lines were located for the reserve area without an actual survey being done yet. Mr. Ferguson explained that there was a row of trees that would split the properties. He stated that it was a bad situation and that the division would not make it any worse. The house built in 2000 had been approved for two drain fields and that the older home had enough reserve area for one. The division of land will not adversely affect the drain field. The drain field is not within 10 feet of that established lot line that goes down the center of the lot. The property owner will have to have a final survey to verify that the field lines will not encroach on any property lines.

Commissioner Melton made the motion to approve the variance request as recommended by staff, seconded by Commissioner Brownlie. The motion to approve the variance passed with Commissioner McDonald abstaining.

Site Plans:

G. M. Properties at 5223 Highway 411 South:

The site plan is for a proposed un-manned ice machine to be located at 5223 U. S. Highway 411 South. Mr. Fields stated that his recommendation in staff memo was for deferral of the site plan due to new site plan requirements for the updated RAC zone not being complete. He stated that the property owner had satisfied those requirements and copies of the new site plans were distributed to the Planning Commission members before the meeting. Mr. Fields stated that his present concern was with a statement in the regulations that refers to “no one property can have buildings exceeding 10,000 square feet”, which would include all structures. Mr. Fields stated that Mr. Murphy’s property was re-zoned under the old RAC standards and the uses that existed at that time do have a grandfathered status under those regulations. He stated that it was his interpretation of the regulation that with the change in the RAC zone that any new uses placed on the property would have to comply with the new RAC regulations. The addition of the ice machine would cause the square footage of the buildings on this parcel to exceed the 10,000 square foot minimum. Mr. Fields stated that he would have to change his recommendation to not approve the site plan.

Commissioner Stucky noted that an updated memo as well as a letter from Anderson law firm had been distributed prior to the meeting.

Commissioner McDonald made the motion to table the request to allow staff time to get legal opinion from Mr. Newton with regard to the application of the RAC rules presently existing to this request or requests like it. Commissioner Brownlie seconded the motion.

Commissioner Melton called for the question which was approved unanimously. The motion to table the request received unanimous approval.

Sterling Engineering at 1020 William Blount Drive:

The site plan request for Sterling Engineering is for an office building to be located at 1020 William Blount Drive. The property is zoned commercial. The building is 188’ x 40’ and will be used for general office space. All parking requirements will be met by the 43 parking spaces indicated on the site plan. The building setback requirements will be met depending on interpretation of the Planning Commission. The lot line located directly behind the proposed structure pinches down to 26’ from the building at its termination point. If it is interpreted to be a side lot line it will be in compliance with the setback requirements. If the property line is interpreted to be a rear setback line, the setback should be 40’. Mr. Fields stated that by his interpretation of the site plan that the property line is

considered to be on the side. He stated that buffering should be installed to screen the proposed building from any abutting residential use property. The erosion controls are indicated on the site plan and will be submitted to the Storm Water Coordinator for review. Mr. Fields recommended for approval of the site plan pending the interpretation of the lot line classification.

Commissioner McDonald asked where the rear property line was located. Mr. Fields replied that the property actually abuts two roads and therefore constitutes two front setback lines. He stated that when a property has two front setbacks that it leaves it with two side setbacks instead of a rear setback. It is the odd shape of the lot that makes the side property line a difficult interpretation.

Commissioner Scully made the motion to approve the site plan as recommended by staff, seconded by Commissioner McDonald.

Commissioner McClellan asked if the Highway Department had reviewed the site plan regarding the two driveway entrances fronting on William Blount Drive. Mr. Fields stated that the State Highway Department would be responsible for the review and approval of the driveway connections. Commissioner McClellan stated that it concerned him to have two driveway connections that close together and located within the school zone.

Commissioner Farmer asked if this particular part of the property was impacted by the road frontage on Morganton Road. Mr. Fields stated that it was not impacted by Morganton Road, but it is one parcel.

Commissioner Scully asked to withdraw his motion to approve. The second to the motion was withdrawn.

Commissioner Melton made the motion to approve the site plan and was seconded by Commissioner McDonald.

Commissioner Stucky clarified that if the back line were interpreted to be at the 26' pinch point, the office space would have to be reduced by 14 feet in order to meet the 40' setback.

Commissioner McDonald withdrew his second to the motion. Commissioner Melton did not withdraw his motion which died for lack of a second.

Commissioner McDonald asked if Sterling Engineering could move the parking and move the building a little closer to the street. Mr. Fields stated that it could meet the setbacks with that change.

Commissioner Farmer made the motion to defer the site plan so that Sterling Engineering could consider changing to one driveway entrance and changes in the area of the 26' pinch point and meeting a 40' setback. Commissioner

McClellan seconded the motion. The motion to defer received unanimous approval.

Long Range Planning

Discussion of alternatives for low density condominium development in the R-2 zone.

This item is in response to a request at the August 2005 meeting to consider a concept for a proposed development off of Flats Road near Top of the World. The proposal was for a limited number of condominium units on a large tract of land, with most of the land to be reserved and dedicated to open space. The indicative density of the proposal was about one unit per 20 acres. The proponent wished to develop the project with gravel access roads. The Zoning Regulations do not allow such development on gravel roads, but the Subdivision Regulations allow large lot subdivision off of gravel roads. There is a disjoint between the types of developments that are allowed under the Subdivision Regulations which are divided and the types of developments allowed under the Zoning Regulations which are un-divided (multi-family). A condominium development can be seen as a development in which the units can be sold; it is not a true multi-family situation. It is different than the intent of the zoning regulations which was to regulate manufactured home parks and apartments. This is a third type of use and the question has been raised if there should be separate regulations for them and should they be allowed on gravel roads. Mr. Lamb asked if there should be a separate set of regulations for condominiums in the R-2 zone that would allow for that type of development on a gravel road. The second issue that comes up is the type of density that would be allowed. The density allowed under the R-2 zone presently is a minimum 5 acre tract; or 1 unit per 5 acres; or 1 unit per 3 acres if it is a cluster development. Mr. Lamb stated that the Hunter Interest study had indicated that this zone should possibly have a minimum density of 1 unit per 20 acres. He noted that 1 unit per 20 acres was the density indicated on the concept plan for Dr. Adler. Mr. Lamb requested discussion of this item and direction on (1) whether or not it is appropriated to pursue development of a formal proposal to amend the Zoning Regulations to accommodate condominium type of developments on gravel access roads in the R-2 zone, and (2) what specific density and design standards should be incorporated into such amendment.

Commissioner McDonald asked what was presently allowed in the R-2 zone. Mr. Lamb stated that divided properties of greater than 5 acre tracts, cluster development with a density of 1 unit per 3 acres on gravel roads. In undivided situations where you do not have 3 acre tracts or 5 acre tracts per unit they fall under "multi-family" situations which do require a 16 foot paved drive. This regulation was intended to look at the internal design and infrastructure improvements for manufactured home parks and apartments. Multi-family units are a permitted use in the R-2 zone.

Commissioner Stucky explained that Dr. Adler intends to set up a land trust to preserve the land with minimal density. He stated that this concept was the type of development that Hunter Interest has suggested and that he feels that it will not happen repetitively. Mr. Lamb replied that for it to be allowed to occur he felt the regulations needed to be changed. He stated that under the present zoning the road would have to be paved. Commissioner Stucky stated that he was leery of changing the regulations for a one-up type of situation.

Commissioner McDonald suggested making a change in the zoning regulations that would accommodate this project. For example, if the density is 1 per 20 acres then fashion the change to fit this situation. Mr. Lamb stated that he was not looking at this to fit Dr. Adler but is looking for consistency between the subdivision regulations which allow development of this density on gravel roads and the lack of ability to do that under zoning when it is undivided. It is the same impact on the land and the same density of structures. Mr. Lamb explained that it could be changed in the regulations to state that when condominium developments such as this are proposed in the R-2 zone with a certain density that gravel roads would be allowed.

Commissioner Farmer stated that what is currently in the regulations allows for the use. He stated that what he (Dr. Adler) is trying to do is get around what is currently allowed to negate him having to pave the drive. When this is finished and it is multi-family use there will be public use of the drive. He stated that if this is just to prevent or negate him from paving the driveway into the development, and there is going to be large use and a multi-family function, then the regulations are fine the way they stand.

After further discussion, it was decided by the Commission that the regulations did not need to be revised.

Dr. Adler addressed the commission at this time and explained that the people would only be there approximately 20% of the time. This would be retirement homes or second homes and the usage of the road would be minimal. He stated that he would like to emulate the Mountain Homes development. He also stated that people who wanted to enjoy nature did not want to see a paved road in their doorstep.

Discussion on application on new regulations to renewal of preliminary plats:

This item was deferred from the last regular meeting and was opened for discussion.

Commissioner McDonald stated that the issue needs to be not whether the developer has spent money to develop it but if the land has had any

improvements over this period of time. Otherwise, there would be a changing of ownership to try to re-vitalize something that hasn't been improved. It needs to be an issue of land not the issue of ownership. He asked if this could be reviewed by the Subdivision Regulation Review Committee. Mr. Hancock stated that a change made at this time would be in the form of an amendment to the existing subdivision regulations. The Commission referred this to the Subdivision Regulation Review Committee for their consideration.

Discussion of alternatives in applying four lot plat limit per twelve month period in relation to inadequate infrastructure of roads and schools:

This item was deferred from the last regular meeting to allow an interested party to attend discussions. The suggestion from staff regarding this matter was to retain the present provisions of the Subdivision Regulations as written. Mr. Lamb stated that he did not know how the building permit system could be mixed with the division of new subdivision lots. Mr. Lamb and Mr. Fields had discussed the possibility of limiting the number of permits issued each year. The Building Commissioner follows a different set of regulations. If a person meets the criteria for obtaining a permit, the Building Commissioner is bound to give them a permit. Mr. Lamb stated that he did not think that the ability to issue building permits could be bound through the Subdivision Regulations.

Mr. Phil French addressed the Commission at this time. He stated that he had presented a concept plan for a subdivision at the June 2005 meeting. Mr. French explained that he knew he was at risk if he moved forward with presenting a preliminary plat. He stated that after discussing the issues with his partner they decided to proceed with the preliminary plat because they felt they could produce compelling evidence that their subdivision would not produce substantial school age children as stated in the regulations. When the preliminary plat was presented at the August Planning Commission meeting, only 4 lots were approved. During the meeting, Mr. French had asked about the possibility of gaining preliminary approval for all of the lots but being able to purchase only 4 building permits. Mr. French stated that that was the reason he was addressing the Commission again. Mr. French stated that if it was necessary, that he could make the arrangement with any potential buyers that building permits would have to be purchased by him or F & G Development. He stated that being allowed to sell only 4 lots per year puts a huge financial burden on the developer.

Commissioner McDonald stated that the reason Blount County had the four lot per year regulation was to help control the growth. He stated that Blount County had problems that cannot be solved by the Planning Commission but they can be controlled somewhat. Blount County does not have the infrastructure to allow more kids into the schools.

Mr. French stated that he felt he had presented what was compelling evidence and was rejected.

Commissioner Stucky stated that the Commission was sympathetic to his situation but that his type of development is designed for families. He stated that even though the evidence he had presented did show that the families presently residing in the subdivision did not attend Blount County Schools but that he had no way of guaranteeing that families in the future would not attend Blount County Schools.

Discussion of Growth Strategy implementation agenda:

Mr. Lamb suggested that the Planning Commissioners go through the summarization of the Growth Strategy and set priorities as to what they would like to address first. Over the next two months, staff will also summarize the Maryville Growth Strategy as it relates to the Blount County Growth Strategy. The two plans have many points of overlap and many points that will require careful consideration and coordination. Discussion will begin in January.

Discussion of Environmental Health Action Team issue profiles.

Mr. Lamb asked the Planning Commissioners to review the Issue Profile included in the commission packets. These will be discussed along with the Hunter Interest Growth Strategy.

Discussion of new school capacity report from School Board.

The enclosed report provided by the School Department will be binding in November.

Staff reports.

Mr. Lamb reported that the November meeting would be held on Tuesday, November 22 due to the Thanksgiving Holidays. There will also be a public hearing held on an amendment to the Subdivision Regulations.

Adjournment.

The Chairman declared the meeting adjourned.

Secretary

**BLOUNT COUNTY PLANNING COMMISSION
SPECIAL CALLED SESSION
TUESDAY, NOVEMBER 8, 2005
5:30 P.M.**

The Blount County Planning Commission met in special called session on Tuesday November 8, 2005, at the Courthouse. Staff was represented by: John Lamb, Director of Planning.

Commissioners Present: Chairman, Ed Stucky, Rick Brownlie, Joe Everett, Gary Farmer, Steve Gray, Tom Hodge, Bob Kidd, Carl McDonald, Bruce McClellan, Kenneth Melton, and Jim Scully. Commissioners Absent: Bill Proffitt.

Site Plan for Sterling Engineering at 5223 U. S. Highway 411 South:

Discussion centered on access and determination of the rear lot line. Commissioner Kidd made the motion to approve the site plan as originally recommended by staff, seconded by Commissioner McDonald. The site plan was approved with Commissioner Scully voting no.

Adjournment.

The Chairman declared the meeting adjourned.

Secretary

**THE PUBLIC BUILDING AUTHORITY OF BLOUNT COUNTY
BOARD MEETING**

**September 13, 2005 – 3:00 P.M.
Blount County Courthouse, Room 315**

MINUTES

Members Present: Dan Campbell, Bill Judkins, Harry Kidwell, Foraker Lambdin, and LeRoy Painter

Members Absent: Howard Kerr and Terry Miller

Others Present: Natalie Harris, Norman Newton, Ron Ogle, Dale Patty, and Marie Stuckwish

Harry Kidwell called the meeting to order and noted that a quorum was present.

Previous Minutes

- Mr. Painter made a motion, seconded by Mr. Campbell to accept the minutes of August 11, 2005. Motion approved.

Financial Matters

- Invoices & Payment Requests:**

Approved Change Orders

Mr. Campbell made a motion, seconded by Mr. Judkins. Motion approved.

Merit Construction – Carpenters Elementary School

Change Order No. 001 – revision of scope of work. \$1,763,770.00

Merit Construction – Blount County Schools, Capital Outlay Projects, William Blount High School and Mary Blount Elementary School

Change Order No. 001 – Amount decreased (\$34,200.00)

Quantum Environmental & Engineering Services, LLC, HHS Underground Storage Tank Removal

Change Order No. 001 – revision of scope of work, excavation of petroleum contaminated soil. \$5,800.00

- Approved Invoice & Amount:

Mr. Judkins made a motion, seconded by Mr. Painter. Motion approved.

Merit Construction:

Blount County Schools – Capital Outlay Projects, Application No. 1 \$82,189.00

Blount County Schools – Carpenters Elementary School, Application No. 2 \$154,264.00

- Contracts/Agreement

Mr. Kerr made a motion, seconded by Mr. Judkins to approve the following contracts. Motion approved.

- Alcoa School Systems – Letter of Agreement
- Danny Davis Electrical – Supplement
- Doyle E. Jones – General Service Contract
- Fletcher Architects - Supplement
- Gallaher & Associates – Supplement
- Hickory Construction – General Service Contract
- Quantum Environmental & Engineering Services – General Service Contract

Projects

- Alcoa School System
 - ✓ The initial phase of the facility upgrade for the summer is complete. Roof replacement at the Middle School Gymnasium is scheduled to begin shortly.
- Centralized Maintenance Program
 - ✓ In the process of working towards establishing the same program used for the Blount County Schools for all County facilities.
- City of Maryville
 - ✓ Parking Garage: Work has started on the detailed design stage. The City of Maryville has added additional funding towards to the project. Construction activities should be shortly.

- Drug Task Force Building
 - ✓ Building is complete. Waiting for the signed lease agreement.
- High School Programming
 - ✓ Discussed cost estimate and schedule. Report should be available first of October.
- Justice Center
 - ✓ Projects are complete and work continues as requested.
- Operations and Maintenance Program (O&M)
 - ✓ The School Board has approved Phase IV to be presented to County Commission. Phase IV and High School funding may be requested at the same time.
 - ✓ Phase III initial work is complete. There are some activities that will be carried over to Phase IV.
- Carpenters Elementary School
 - ✓ Concrete is being poured and structural steel is being erected.
 - ✓ On schedule and on projected estimated budget.
- Blount County Schools – Capital Outlay Projects
 - ✓ PBA was asked to assist on some of the Capital Outlay Projects. These projects are completed.

Adjournment

- Meeting was properly adjourned.



INSURANCE/RISK MANAGEMENT MEETING
MONDAY, NOVEMBER 28, 2005 @ 5:30 P.M.
COUNTY COMMISSION ROOM

VOTING MEMBERS PRESENT: Chairman Jeff McCall, Keith Brock,
Donna Dowdy, and Mike Walker
VOTING MEMBERS ABSENT: Ernie Tallent
NON-VOTING MEMBERS PRESENT: Tony Abbott and Judy Dixon
NON-VOTING MEMBERS ABSENT: Jeff Clark, Troy Logan, John Herron, and
Melodie Walker
OTHERS: Dave Bennett, Betsy Cunningham, Jodie
King, Don Stallions, Greg Chapman,
Barbara Lane and Brenda Bodeman

MINUTES:

Commissioner Keith Brock made a motion to approve October 26, 2005, second by Commissioner Mike Walker. All in favor. Motion passed.

ITEMS TO BE ADDRESSED ON THE AGENDA:

No items to be addressed by the public at this time.

ITEMS TO BE ADDRESSED NOT ON THE AGENDA:

Chairman Jeff McCall advised the Committee that due to the Christmas holidays that there would not be a Committee meeting in December.

Judy Dixon addressed the Committee regarding the availability and amount of flu shots employees of the County. General discussion followed.

Dave Bennett advised the non-voting members that since they were appointed to the Insurance/Risk Management Committee to represent their respective departments and to help with insurance decisions and ideas but the Finance Committee was responsible for making those decisions now. Therefore, Mr. Bennett asked all of the non-voting members to start attending the Finance Committee Meetings.

DISCUSSION/POSSIBLE ACTION REGARDING SELECTION OF INSURANCE BROKER/CONSULTANT:

Dave Bennett updated the Committee on the selection of the Insurance Broker/Consultant. Mr. Bennett advised the Committee that the ad-hoc committee was recommending Strategic Employment Benefit Service for the County's new Insurance Broker/Consultant. Motion by Commissioner Keith Brock to accept ad-hoc committee's recommendation of Strategic Employment Benefit Service as the County's new Insurance Broker/Consultant effective January 1, 2006, second by Commissioner Donna Dowdy. All in favor. Motion passed.

UPDATE REGARDING TRANSITION WITH SEDGWICK CMS CHARLOTTE OFFICE:

Betsy Cunningham updated the Committee on the transition with the Sedgwick CMS Charlotte office. Ms. Cunningham advised the Committee of some of the proposed changes within the office, such as on-line reporting for all claims and the effective date for using the Charlotte office. General discussion followed.

DISCUSSION/POSSIBLE ACTION REGARDING INSURANCE COVERAGE ON WEIGHT REDUCTION:

Betsy Cunningham reviewed a handout(Information Regarding Weight Reduction Procedures) with the Committee regarding her finding within other Governmental entities. General discussion followed. Commissioner Mike Walker recommended looking at past Committee minutes with regards to plan changes with obesity that have already been made. Ms. Cunningham recommended that the new Insurance Broker/Consultant look into recommending a solution that is best for the County.

UPDATE ON LOSS PREVENTION:

Don Stallions updated the Committee on the allotted \$25,000 for loss prevention measures. Mr. Stallions advised the Committee of some of the preventative measures that the money has already been used for such as- Bus Accident Procedures Checklist, playground mulch for all elementary schools, fence bordering the creek at Porter Elementary School, and student accident tracking. General discussion followed.

ADJOURNMENT:



INFORMATION ONLY

ITEM

- 1. Year-To-Date Increases/Decreases**
- 2. Posted Transfers**

BLOUNT COUNTY, TENNESSEE
FUND ACCOUNTING SYSTEM
BUDGET INCREASE/DECREASE FOR YEAR THROUGH NOVEMBER 30, 2005

FUND	PROJ	CC/OBJ	DESCRIPTION	AMOUNT	JE NUMBER
101		058900 499998	PHASE II OF CIVIC ARTS CTR REPOST GENERAL GOVERNMENT FUND BALANCE	60,000.00+ 60,000.00+	05002483
101		054430 472300	KATRINA FUNDS TO BE REIM. BY FEMA DISASTER RELIEF DISASTER RELIEF	10,500.00+ 10,500.00+	05003138
101		052310 481001	F T EMPLY DUE TO A 4 YR REAPPRAISAL REAPPRAISAL PROGRAM CITY OF MARYVILLE	50,000.00+ 50,000.00+	05003203
101		054440 475912	PURCHASE EQUIP. FOR TRAIING IN EMRG ORANGE ALERT GRANT OTHER FED THRU STATE- TEMA 83.534	503,758.00+ 503,758.00+	05003204
101		052400 456101	COMPENSATE EMPLY FOR CPS CERTIFICATE COUNTY TRUSTEES OFFICE TRUSTEE FEES	2,684.00+ 2,684.00+	05003205
101		055115 449919 499998	BDGT SET UP FOR OZONE AIR STUDY NATIONAL ASSOCIATION OF COUNTY & CIT OZONE AIR QUALITY STUDY FUND BALANCE	2,163.55+ 3,836.45- 6,000.00+	05003206
101		054110 423203	PURCHASE NEW GATEWAY SERVER SHERIFFS DEPARTMENT OFFICERS COST- SHERIFF INFO TECH	3,784.00+ 3,784.00+	05005435
101		054110 445700	PURCHASE A K9 VEST SHERIFFS DEPARTMENT CONTRIBUTIONS & GIFTS	916.00+ 916.00+	05005436
101		054112 462902 499998	APP FUNDS DUE TO HGWY SAFETY GRANT HWY SAFETY GRANT-SHERIFF HIGHWAY SAFETY GRANT FUND BALANCE	169,834.12+ 152,850.71+ 16,983.41+	05005437
101		054110 449914	SHERIFFS DEPT ACCT-INSERVICE PAY SHERIFFS DEPARTMENT SALARY REIMB/SHERIFFS DEPT	73,136.70+ 73,136.70+	05005982
101		053120 498024	IT EQUIP. FOR CIRCUIT CRT DEPT CIRCUIT COURT CLERK RES FOR CIRCUIT COURT DP EXPS	10,000.00+ 10,000.00+	05005983
101		053501	TO COVER COST FOR SUB CONTRT WORK JUVENILE DRUG COURT	2,500.00+	05005984

NOVEMBER 30, 2005
 REPORT 615-103

BLOUNT COUNTY, TENNESSEE
 FUND ACCOUNTING SYSTEM
 BUDGET INCREASE/DECREASE FOR YEAR THROUGH NOVEMBER 30, 2005

FUND	PROJ	CC/OBJ	DESCRIPTION	AMOUNT	JE NUMBER
		461100	JUVENILE SERVICES PROGRAM	2,500.00+	
101			ADDL COSTS FOR HURRICANE RELIEF PERS		
		054430	DISASTER RELIEF	25,624.18+	05005985
		472300	DISASTER RELIEF	25,624.18+	
101			FUND TOTALS		
101			EXPENDITURE TOTAL	914,900.55+	
101			REVENUE TOTAL	914,900.55+	
128			FUNDS TO COVER MERIT INCRE NOT IN BD		
		053206	DRUG COURT	3,120.00+	05003207
		499998	FUND BALANCE	3,120.00+	
128			FUND TOTALS		
128			EXPENDITURE TOTAL	3,120.00+	
128			REVENUE TOTAL	3,120.00+	
131			ENVIRONMENTAL SERVICES		
		061000	ADMINISTRATION	42,000.00+	05003202
		445400	SALE OF PROPERTY	42,000.00+	
131			FUND TOTALS		
131			EXPENDITURE TOTAL	42,000.00+	
131			REVENUE TOTAL	42,000.00+	
141			PURCHASE PLATO SOFTWARE FOR WBHS		
		071100	REGULAR EDUCATION PROGRAM	45,000.00+	05004977
		469810	SPECIAL ED NCLB STATE GRANT	25,000.00+	
		498011	OPERATING TRANSFERS	20,000.00+	
141			INCREASE PRESCHOOL BUDGET GIFT REC.		
		073400	STUDENT BODY ACTIVITIES	500.00+	05004978
		445700	CONTRIBUTIONS & GIFTS	500.00+	
141			INCREASE FOR FP AND TBI BACKGRND CKS		
		072310	BOARD OF EDUCATION SERVICES	15,000.00+	05004979
		449901	MISCELLANEOUS REVENUE	15,000.00+	
141			INCREASE IN FIRE PROTECTION FEE		
		072610	OPERATION OF PLANT	20,122.00+	05004980
		401100	CURRENT PROPERTY TAX	5,000.00+	
		401200	TRUSTEE'S COLLECTIONS-PRIOR YEAR	5,000.00+	
		402700	BUSINESS TAX	10,122.00+	
141			INCREASE BDGT FOR DIESEL FUEL ADJ.		
		072710	TRANSPORTATION	180,000.00+	05004981
		499998	FUND BALANCE	180,000.00+	

NOVEMBER 30, 2005
 REPORT 615-103

BLOUNT COUNTY, TENNESSEE
 FUND ACCOUNTING SYSTEM
 BUDGET INCREASE/DECREASE FOR YEAR THROUGH NOVEMBER 30, 2005

PAGE 3

FUND	PROJ	CC/OBJ	DESCRIPTION	AMOUNT	JE NUMBER
141			LOTTERY GRNT BDGT BASED ON ST. AWARD		
		073400	STUDENT BODY ACTIVITIES	77,566.00+	05004982
		465150	SOCIAL SECURITY STATE MATCHING	77,566.00+	
141			INCREASE BDGT FOR TEXTBOOKS		
		071100	REGULAR EDUCATION PROGRAM	15,000.00+	05005438
		402100	LOCAL OPTION SALES TAX	15,000.00+	
141			INCREASE ADULT ED THRU STATE GRANT		
		071600	ADULT EDUCATION PROGRAM	25,350.00+	05005439
		072260	ADULT PROGRAM	13,790.00-	
		445703	CONTR TO ADULT EDUC PROGRAM	4,781.00+	
		465909	OTHER STATE FUNDS-ABE	1,103.00+	
		465912	ABE/FAMILIES FIRST GRANT	1,840.00+	
		471200	ADULT BASIC EDUCATION 84.002	3,836.00+	
141			FUND TOTALS		
141			EXPENDITURE TOTAL	364,748.00+	
141			REVENUE TOTAL	364,748.00+	
142	10521		ESTABLISH 10521 TITLE CARRYOVER		
		071100	REGULAR EDUCATION PROGRAM	94,084.84+	05005417
		072130	OTHER STUDENT SUPPORT	1,648.57+	
		072210	REGULAR INSTRUCTION PROGRAM	1,000.00+	
		471410	ECIA-CHAPTER I	96,733.41+	
142	10601		RECON DIFF BTWN TITLE 1 2005-2006 01		
		071100	REGULAR EDUCATION PROGRAM	41,046.67-	05005385
		072130	OTHER STUDENT SUPPORT	800.00-	
		072210	REGULAR INSTRUCTION PROGRAM	38,859.67+	
		099100	OPERATING TRANSFERS	25,137.00-	
		471410	ECIA-CHAPTER I	28,124.00-	
142	20601		BAL ACCTS FOR TITLE V PROJ 20601		
		071100	REGULAR EDUCATION PROGRAM	7,029.00-	05002486
		072210	REGULAR INSTRUCTION PROGRAM	8,839.00-	
		471420	TITLE VI	15,868.00-	
142	20601		BAL ACCOUNTS FOR TITLE V PROJ 20601		
		071100	REGULAR EDUCATION PROGRAM	195.00-	05003183
		471420	TITLE VI	195.00-	
142	30501		TO CONTINUE IDEA PROJ 30501 THRU9/30		
		071200	SPECIAL EDUCATION PROGRAM	380,736.68+	05001253
		072220	SPECIAL EDUCATION PROGRAM	107,059.48+	
		072710	TRANSPORTATION	3,465.90+	
		471430	EDUCATION OF THE HANDICAPPED ACT	491,262.06+	

BLOUNT COUNTY, TENNESSEE
FUND ACCOUNTING SYSTEM
BUDGET INCREASE/DECREASE FOR YEAR THROUGH NOVEMBER 30, 2005

FUND	PROJ	CC/OBJ	DESCRIPTION	AMOUNT	JE NUMBER
142	30501		BALANCE ACCTS FOR IDEA PROJ 30501		
		071200	SPECIAL EDUCATION PROGRAM		05004306
		471430	EDUCATION OF THE HANDICAPPED ACT	208.89+	
				208.89+	
142	30601		CORR BEG BAL FOR IDEA PROJ 30601		
		071200	SPECIAL EDUCATION PROGRAM	120,349.00+	05002484
		072220	SPECIAL EDUCATION PROGRAM	56,285.00-	
		072710	TRANSPORTATION	5,283.00+	
		099100	OPERATING TRANSFERS	35,000.00-	
		471430	EDUCATION OF THE HANDICAPPED ACT	34,347.00+	
142	40601		CORR BEG BAL FOR IDEA PROJ 40601		
		071200	SPECIAL EDUCATION PROGRAM	136.00+	05002485
		471430	EDUCATION OF THE HANDICAPPED ACT	136.00+	
142	50601		CORR BEG BAL FOR DRUG FREE PRJ 50601		
		072130	OTHER STUDENT SUPPORT	2,083.00-	05002487
		475900	OTHER FEDERAL-STATE	2,083.00-	
142	60501		ADJUST CARL PERKINS GRANT 04-05		
		071300	VOCATIONAL EDUCATION PROGRAM	7,000.00+	05004181
		471310	BASIC VOCATIONAL	7,000.00+	
142	60601		ADJUST CARL PERKINS GRANT 05-06		
		071300	VOCATIONAL EDUCATION PROGRAM	65,001.00+	05002289
		072130	OTHER STUDENT SUPPORT	6,000.00+	
		072230	VOCATIONAL EDUCATION	4,000.00-	
		471310	BASIC VOCATIONAL	67,001.00+	
142	70511		EST. CARRYOVER BDGT FOR 06-06 TITLII		
		072810	CENTRAL AND OTHER	4,912.83+	05004182
		471421	TITLE II, PART D	4,912.83+	
142	70521		SET UP ACCOUNTS FOR CO BDGT IN 70521		
		072210	REGULAR INSTRUCTION PROGRAM	8,093.61+	05003806
		471890	TITLE II	8,093.61+	
142	70601		CORR BEG BAL FOR TITLE II PROJ 70601		
		071100	REGULAR EDUCATION PROGRAM	23,279.34+	05002488
		072210	REGULAR INSTRUCTION PROGRAM	28,717.34-	
		471890	TITLE II	5,438.00-	
142	70611		ESTABLISH BDGT FOR TITLE II PART D		
		072810	CENTRAL AND OTHER	13,545.00-	05001252
		471421	TITLE II, PART D	13,545.00-	
142	80601		ADJ VOC. TRANSITION GRANT BDGT		
		071300	VOCATIONAL EDUCATION PROGRAM	31,737.00-	05002489

BLOUNT COUNTY, TENNESSEE
 FUND ACCOUNTING SYSTEM
 BUDGET INCREASE/DECREASE FOR YEAR THROUGH NOVEMBER 30, 2005

FUND	PROJ	CC/OBJ	DESCRIPTION	AMOUNT	JE NUMBER
		475906	VOCATIONAL TRANSITION GRANT	9,977.00-	
		498000	OPERATING TRANSFERS	21,760.00-	
142	81601		DECREASE BDGT,WILL NOT RECV GRANT		
		071300	VOCATIONAL EDUCATION PROGRAM	5,000.00-	05000943
		475900	OTHER FEDERAL-STATE	5,000.00-	
142	91401		ESTABLISH CARRYOVER BDGT		
		071502	REA GRANT	560.00+	05001530
		475900	OTHER FEDERAL-STATE	560.00+	
142			FUND TOTALS		
142			EXPENDITURE TOTAL	608,264.80+	
142			REVENUE TOTAL	608,264.80+	
146			SCHOOLS EXT CARE FUND BDGT		
		073300	COMMUNITY SERVICES	21,000.00-	05005434
		435810	COMMUNITY SERVICE FEES-CHILDREN	164,000.00-	
		441100	INTEREST EARNED	2,000.00+	
		499998	USE OF FUND BALANCE	141,000.00+	
146			FUND TOTALS		
146			EXPENDITURE TOTAL	21,000.00-	
146			REVENUE TOTAL	21,000.00-	
189	02039		TO SET UP BDGT FOR 05-06		
		091110	GENERAL CAPITAL PROJECTS	60,694.12+	05003122
		469800	OTHER STATE GRANT	60,694.12+	
189	05061		TO SET UP BDGT FOR HEALTH DEPT		
		091140	PUBLIC HEALTH AND WELFARE PROJECTS	2,000.00+	05003201
		495000	RES CTY CORRECTIONAL INCENT	2,000.00+	
189			FUND TOTALS		
189			EXPENDITURE TOTAL	62,694.12+	
189			REVENUE TOTAL	62,694.12+	

Blount County Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2005 - 2006

Posted
05005815
F.7.B

FUND NO: 101

COST CENTER NO: 051800

FUND NAME: General Government

COST CENTER NAME: County Buildings

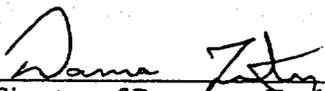
Transfer
To:

Account Number	Account Name	Amount
101-051800-500-425	Gasoline	2,200
	Total Transferred to:	\$2,200

Transfer
From:

Account Number	Account Name	Amount
101-051800-500-499	Other Supplies & Materials	2,200
	Total Transferred from:	\$2,200.00

Reason for Transfer Request: To cover shortfalls in account funding, and increases in fuel costs.


Signature of Department Head

08 Nov '05
Date

Signature of County Mayor

08 Nov '05
Date

NOTE: Total Transferred
to must agree with total
transferred from.

Form No. BT81491-3

Posted

05005948

Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year ~~2000-2001~~
2001-2002

Fund Number 101

Cost Center Number 54410

Fund Name Gen County

Cost Center Name Emer Mgmt

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054435-500549	PRINTING	1717.12
Total Transferred to:		

Transfer
to:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054435-500716	LAW ENFORCEMENT EQUIP	1717.12
Total Transferred from:		1717.12

Transfer
from:

Reason for Transfer Request:
PAYMENT FOR PRINTING CHARGES FOR 03 GRANT (PART I) TABLETOP
EXERCISE (BILLABLE COPIES @ 1,000.12) RENT (6 mos) OF COPY
MACHINE (717.00)

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

Kathy Shields
Signature of Department Head

11-09-05
Date

[Signature]
Signature of County Executive

Date

Posted
05006376

Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2005-2006

Fund Number 101 Cost Center Number 54435
Fund Name Gen Fund Cost Center Name Emer. Mgmt

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054435-500599	Other Charges	2000.00
101-054435-500371	Other Contracted Svcs	17.98
Total Transferred to:		2017.98

Transfer to:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054435-500716	Law Enforcement Equipment	2017.98
Total Transferred from:		2017.98

Transfer from:

Reason for Transfer Request:
TO PAY FOR DONUTS AND LUNCH FOR TABLE TOP
EXERCISE NOV 30

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

[Signature] 11-22-05
Signature of Department Head Date

[Signature] 11/22/05
Signature of County Executive Date

Postea
05005947

Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2005-06

Fund Number 101

Cost Center Number 54439

Fund Name Gen. Co.

Cost Center Name Haz Mat Emer Plan

Transfer to:

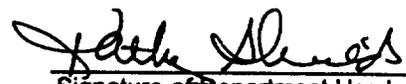
ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054439-500349-0	Printing	357.06
Total Transferred to:		357.06

Transfer from:

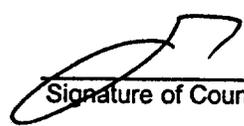
ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
101-054439-500716-0	Law Enf Eq	357.06
Total Transferred from:		357.06

Reason for Transfer Request:
Transfer \$ for printing.

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


Signature of Department Head

11-09-05
Date


Signature of County Mayor

Date

Blount County, Tennessee
 REQUEST FOR BUDGET TRANSFER
 Fiscal Year 2005-06

Postal
 05005986

Fund Number 101

Cost Center Number 57500

Fund Name General Government

Cost Center Name Soil Conservation

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
334	Maintenance Agreement	70.00
307	Communications	500.00
320	Dues & Memberships	300.00
Total Transferred to:		870.00

Transfer to:

A+

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
429	Instructional	70.00
429	Instructional	500.00
429	Instructional	300.00
Total Transferred from:		870.00

Transfer from:

A-

Reason for Transfer Request:

These transfers are necessary due to the 10% cut that was taken in the current year budget.

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

Sandra D. Hughey 11/17/05
 Signature of Department Head Date

[Signature]
 Signature of County Executive Date

Posted
05005976

Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2005-2006

Fund Number 189

Proj
Cost Center Number 4054 & 4055/4056

Fund Name Gen Constr.

Cost Center Name Carpenters / Schools I+II

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
189-091300-500399-04054	Other Charges - Carpenters	408,894.00
Total Transferred to:		408,894.00

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
189-091300-500399-04055	Other Charges - Schools I	178,894.00
189-091300-500399-04056	- Schools II	230,000.00
Total Transferred from:		408,894.00

Reason for Transfer Request:

Transfer Funds to cover overage for Carpenters Elementary

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

Dana Lame
Signature of Department Head

11-16-05
Date

Signature of County Executive

Date

\$ Cash & Fund Bal moved by JE also

**Blount County, Tennessee
REQUEST FOR BUDGET TRANSFER
Fiscal Year 2005-06**

Posted
05005950

Fund Number 264

Cost Center Number 55190

Fund Name Health

Cost Center Name Clinic

Transfer to:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
264-055190-500340-0	Medical Services - Lab -	3,000 ✓
264-055190-500399-0	Other contracted services - staffing -	211,300 ✓
264-055190-500355-0	Travel	200 ✓
264-055190-500317-0	DP Services	8,400 ✓
264-055190-500359-0	Disposal fees	
264-055190-500413-0	Drugs & medical supplies (RX) only	14,000 ✓
264-055190-500499-0	Other supplies - med supplies	16,000 ✓
Total Transferred to:		241,300

Transfer from:

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
264-055190-500435-0	Office supplies	191,800
264-055190-500599-0	Other charges	49,500
Total Transferred from:		241,300

Reason for Transfer Request:
Transfer \$ to correct line items.

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

Betsy Cunningham
Signature of Department Head

11/14/05
Date

[Signature]
Signature of County Mayor

Date



Blount County Trustee Scott Graves

**Trustee's Monthly Report
November 2005**

Contents

Section I Property Tax Collections Report

Section II Trustee's Cash and Investments

Section III Trustee's Interest Earned Report

Section IV Trustee's Commission Report

TAX COLLECTIONS.....AMOUNTS.....BALANCES, ETC....

TAX COLLECTIONS FOR MONTH OF NOVEMBER, 2005

PROPERTY TAXES, (2005 YEAR), REAL & PERSONAL PROPERTY.....	+\$	2,148,491.74
PROPERTY TAXES, (2004 YEAR), REAL & PERSONAL PROPERTY.....	+\$	86,605.71
PROPERTY TAXES, (2003 YEAR), REAL & PERSONAL PROPERTY.....	+\$	1,452.00
PROPERTY TAXES, (2002 YEAR), REAL & PERSONAL PROPERTY.....	+\$	7,201.10
PROPERTY TAXES, (2001 YEAR), REAL & PERSONAL PROPERTY.....	+\$	6,065.53
2004-RTAX 2003-RTAX 2003-RBTAX 2002-RTAX 2002-RBTAX		
11,629.35 47.15 173.07 40.06 173.07		
2001-RTAX 2001-RBTAX		
39.16 173.07		
- - - - -		
INTEREST AND PENALTIES.....	+\$	12,274.93
2005-YEAR 2004-YEAR		
90.00 95.00		
PICK-UP TAXES.....	+\$	185.00
2005-YEAR 2004-YEAR 2003-YEAR 2002-YEAR 2001-YEAR		
10,369.00 9,383.00 9,462.00 1,282.00 1,282.00		
ROLLBACKS.....	+\$	31,778.00
- - - - -		
REFUNDS.....	-\$	0.00
2005-YEAR 2004-YEAR 2003-YEAR		
21,234.55 19.00 16.00		
DISCOUNTS.....	-\$	21,269.55
- - - - -		
PUBLIC UTILITY TAXES.....	+\$	0.00
TOTAL COLLECTION FOR THE MONTH OF	+\$	2,272,784.46

TAX COLLECTIONS.....AMOUNTS.....BALANCES, ETC.....

TAX COLLECTIONS FOR MONTH OF NOVEMBER, 2005

ORIGINAL AMOUNT OF TAXES (REAL & PERSONAL), 2005\$ 47,621,873.00

MTD

LESS DISCOUNTS.....-\$	21,234.55	ALL		
LESS STATE APPEALS AND				
LESS REFUNDS.....-\$	0.00	ALL.....-\$	140.00	
LESS RELEASES.....-\$	3,730.00	ALL.....-\$	64,139.00	
PLUS ROLLBACKS.....+\$	10,863.00	ALL.....+\$	52,416.00	
PLUS PICK-UPS.....+\$	877.00	ALL.....+\$	9,870.00	

NET AMOUNT TO COLLECT, 2005 TAXES.....\$ 47,619,880.00

COLLECTED (YEAR TO DATE) THROUGH NOVEMBER 31, 2005

LESS STATE APPEALS AND			
LESS REFUNDS.....-\$	140.00		

REGULAR TAXES.....+\$	31,256,043.26		
PICK-UPS.....+\$	6,596.00	DISCOUNTS.....-\$	608,547.04
ROLLBACKS.....+\$	45,771.00	TOTAL.....-\$	31,308,270.26

BALANCE TO COLLECT\$ 15,703,062.70

PERCENT COLLECTED TO DATE.... 67.02

TAX COLLECTIONS.....AMOUNTS.....BALANCES, ETC....

TAX COLLECTIONS FOR MONTH OF NOVEMBER, 2005

ORIGINAL AMOUNT OF TAXES (REAL & PERSONAL), 2004\$ 46,308,037.00

MTD

LESS DISCOUNTS.....-\$	19.00 ALL		
LESS STATE APPEALS AND			
LESS REFUNDS.....-\$	0.00 ALL.....-\$		8,199.52
LESS RELEASES.....-\$	1,492.00 ALL.....-\$		122,967.00
PLUS ROLLBACKS.....+\$	9,877.00 ALL.....+\$		97,815.00
PLUS PICK-UPS.....+\$	95.00 ALL.....+\$		265,806.00

NET AMOUNT TO COLLECT, 2004 TAXES.....\$ 46,540,491.48

COLLECTED (YEAR TO DATE) THROUGH NOVEMBER 31, 2005

LESS STATE APPEALS AND			
LESS REFUNDS.....-\$	8,199.52		

REGULAR TAXES.....+\$	44,443,024.02		
PICK-UPS.....+\$	62,801.50	DISCOUNTS.....-\$	586,251.37
ROLLBACKS.....+\$	83,341.00	TOTAL.....-\$	44,580,967.00

BALANCE TO COLLECT\$ 1,373,273.11

PERCENT COLLECTED TO DATE..... 97.04

TAX COLLECTIONS.....AMOUNTS.....BALANCES, ETC....

TAX COLLECTIONS FOR MONTH OF NOVEMBER, 2005

PUBLIC UTILITIES 2005 YEAR

AMOUNT ON ROLL AS OF 11-31-05.....	\$	
AMOUNT COLLECTED..MTD	0.00.....	\$
RELEASES.....		\$

BALANCE TO COLLECT.....		\$
PERCENT COLLECTED.....		

PUBLIC UTILITIES 2004 YEAR

AMOUNT ON ROLL AS OF 11-31-05.....	\$	2,268,920.00
AMOUNT COLLECTED..MTD	0.00.....	\$ 2,249,983.00
RELEASES.....		\$ 0.00

BALANCE TO COLLECT.....	\$	18,937.00
PERCENT COLLECTED.....	99.16	

PUBLIC UTILITIES 2003 YEAR

AMOUNT ON ROLL AS OF 11-31-05.....	\$	1,653,749.00
AMOUNT COLLECTED..MTD	0.00.....	\$ 1,645,170.00
RELEASES.....		\$ 0.00

BALANCE TO COLLECT.....	\$	8,579.00
PERCENT COLLECTED.....	99.48	

Blount County Trustee
 Scott Graves
Trustee's Cash and Investments

November 30, 2005

<u>BANK</u>	<u>MAIN ACCOUNT</u>	<u>Rate</u>	<u>TAX PAY ACCOUNTS</u>	<u>Rate</u>	<u>CERTIFICATES OF DEPOSIT</u>	<u>Rate</u>	<u>Maturity</u>	<u>Collateral</u>	<u>OTHER INVESTMENTS</u>
American Fidelity	\$29,526,127.71	4.76%	\$22,507.32	2.62%				*	
AmSouth			\$15,992.57	1.27%				*	<u>Local Government Investment Pool (TN)</u>
BankEast			\$10,200.74	1.50%	\$1,000,000.00	4.17%	7-20-06	*	\$60,729.03 3.67%
BB & T			\$18,456.02	3.25%	\$1,000,000.00	4.15%	7-19-06	*	<u>LGIP-DOT (Hwy Dept.)</u>
CBBC			\$20,565.20	0.71%				*	\$73,268.09 3.67%
First National			\$2,700.98	0.75%	\$500,000.00	4.35%	6-5-06	*	<u>LGIP TOTAL</u>
					\$485,402.97	4.18%	7-19-06	*	\$133,997.12
				**	\$550,000.00	4.18%	7-19-06	*	
First Tennessee			\$38,415.26	1.00%				*	
Home Bank			\$15,022.08	3.85%				\$2,500,922	<u>TYPE/BANK</u> <u>BONDS</u> <u>YTM</u> <u>Date</u>
Home Federal			\$1,000.90	1.29%				*	
Regions			\$10,200.94	0.14%				*	
SunTrust			\$15,200.25	0.50%				*	<u>BOND TOTAL</u> \$0.00
United Community			\$26,052.42	1.20%				*	
									<u>LGIP+BONDS</u>
Account Totals	<u>\$29,526,127.71</u>		<u>\$196,314.68</u>		<u>\$3,535,402.97</u>				<u>\$133,997.12</u>
GRAND TOTAL									
<u>\$33,391,842.48</u>									

* Member of State of TN Collateral Pool

**Cd held jointly with State Commissioner of Commerce & Insurance (W.C.)

Blount County Trustee
Scott Graves

Interest Earned Report
NOVEMBER 2005

Date	Financial Institution	Account	Interest
11/03/05	American Fidelity	Regular Account	\$55,839.78
11/01/05	American Fidelity	Clearing Account	\$4,690.99
11/07/05	American Fidelity	Money Market	\$83.63
11/01/05	American Fidelity	Medical/Dental	\$1,320.87
11/01/05	American Fidelity	Payroll Account	\$1,432.36
11/10/05	AmSouth	Money Market	\$38.14
11/09/05	BB&T	CD	\$3,410.96
11/09/05	BB&T	Money Market	\$73.88
11/07/05	BankEast	Money Market	\$31.71
11/07/05	BankEast	CD	\$3,427.40
11/10/05	CBBC	Money Market	\$51.94
11/07/05	First National	Money Market	\$22.45
11/07/05	First National	CD	\$1,787.67
11/07/05	First National (C.H.)	CD	\$1,667.66
11/07/05	First National (W.C.)	CD	\$1,889.59
11/09/05	First Tennessee	Money Market	\$126.17
11/10/05	Home Bank	Money Market	\$5,533.90
11/21/05	Home Federal	Money Market	\$11.35
11/07/05	LGIP (State)	Investment Pool	\$416.35
11/21/05	Regions	Money Market	\$4.81
11/07/05	SunTrust	Money Market	\$9.13
11/07/05	United Community	Money Market	\$28.89

TOTAL INTEREST EARNED THIS MONTH \$81,899.63
FISCAL YEAR TO DATE INTEREST EARNED \$377,595.45

PROGRAM ID: TRT527
 RUN DATE: 12/05/05
 RUN TIME: 13:35:49

BLOUNT COUNTY TRUSTEE

COMMISSIONS REPORT FOR NOVEMBER 2005

RECEIVED FROM	ACCOUNT	TITLE	AMOUNT	COMMISSIONS
AMERICAN FIDELITY	44110	Interest Earned	63,284.00	499.99
AMERICAN FIDELITY/TENN VALLEY	40161	Lieu of Taxes - TVA	1,012.86	10.13
AMFBANK	43581	Community Service Fees - Children	287.00	2.87
BANK INTEREST	44110	Interest Earned	27,645.39	248.82
BB&T INTEREST	44110	Interest Earned	3,484.84	31.36
BL CO BLDG	41520	Building Permits	4,317.50	43.18
BL CO BLDG COMMISSION	41520	Building Permits	1,600.00	16.00
BL CO CABLE TV AUTH	41140	Cable TV Franchise	121,543.08	1,215.43
BL CO ENVIRONMENTAL	43190	Other General Service Charges	2,405.00	24.05
BLDG COMMISSIONER	41520	Building Permits	21,403.75	214.05
BLOUNT CO. PROPERTY TAX (COMBINED)	40110	Current Property Tax	2,272,784.46	45,454.64
BLOUNT COUNTY PLANNING	43990	Other Charges for Services	40.00	.40
CIRCUIT COURT	40250	Litigation Tax - General	1,342.36	13.42
	40260	Litigation Tax - Special Purpose	81.60	.82
	42140	Drug Control Fines	86.69	.87
	42160	District Attorney General Fees	138.34	1.38
	42180	DUI EXCESS	380.00	3.80
	42210	Fines	1,150.45	11.50
	42220	Officers Costs	2,693.03	26.93
	42320	Officers Costs	244.82	2.45
	42360	District Attorney General Fees	124.45	1.24
	42810	Fines	2,737.78	27.38
	43990	Other Charges for Services	450.30	4.50
CLERK & MASTERS/CHANCERY	40130	Clerk & Master Collections - Prior Year	14,313.78	143.14
	40250	Litigation Tax - General	61.37	.61
	40260	Litigation Tax - Special Purpose	28.90	.28
	42520	Officers Costs	529.41	5.29
CLERK & MASTERS/CIRCUIT	40250	Litigation Tax - General	191.33	1.91
	40260	Litigation Tax - Special Purpose	90.10	.90
	42120	Officers Costs	260.30	2.60
CLERK & MASTERS/GENERAL SESSIO	40250	Litigation Tax - General	1,945.30	19.45
	40260	Litigation Tax - Special Purpose	133.00	1.34
	42320	Officers Costs	2,621.32	26.21
COCA COLA	43380	Vending Machine Collections	31.07	.31
COUNTY CLERK	40220	Hotel/Motel Tax	132,268.64	1,322.69
	40250	Litigation Tax - General	1,378.69	13.79
	40260	Litigation Tax - Special Purpose	85.50	.86
	40270	Business Tax	32,575.79	325.76
	40330	Wholesale Beer Tax	16,577.53	165.78
	41110	Marriage Licenses	304.00	3.04
DRUG COURT	40250	Litigation Tax - General	253.30	2.53
EAST TN DEVELOPMENT DISTRICT	44120	Lease/Rentals	3,508.00	35.08
ENVIRONMENTAL	43190	Other General Service Charges	3,145.00	31.45
ENVIRONMENTAL HEALTH	43190	Other General Service Charges	13,555.00	135.56
EXT DAYCARE	43581	Community Service Fees - Children	38,487.47	384.87
GENERAL SESSIONS	40250	Litigation Tax - General	38,924.91	389.25
	40260	Litigation Tax - Special Purpose	1,313.26	13.13
	42310	Fines	10,292.08	102.92
	42320	Officers Costs	40,380.11	403.81
	42330	Game and Fish Fines	38.48	.38

PROGRAM ID: TRT527
 RUN DATE: 12/05/05
 RUN TIME: 13:35:49

BLOUNT COUNTY TRUSTEE

COMMISSIONS REPORT FOR NOVEMBER 2005

RECEIVED FROM	ACCOUNT	TITLE	AMOUNT	COMMISSIONS
	42340	Drug Control Fines	3,236.17	32.36
	42350	Jail Fees	4,802.90	48.03
	42360	District Attorney General Fees	9,132.39	91.32
	42380	DUI EXCESS	2,280.00	22.80
	42810	Fines	2,690.40	26.90
	43190	Other General Service Charges	285.00	2.85
HOME FEDERAL	44110	Interest Earned	11.35	.09
LIBRARY	43350	Copy Fees	536.90	5.37
	43360	Library Fees	7,999.61	80.01
PLANNING DEPART	43990	Other Charges for Services	1,372.50	13.73
PLANNING DEPT	43990	Other Charges for Services	2,000.00	20.00
PROPERTY ASSESSOR	43350	Copy Fees	159.00	1.60
PROPERTY ASSESSORS	43350	Copy Fees	336.50	3.37
REGIONS	44110	Interest Earned	4.81	.04
REGISTER OF DEEDS	43392	Data Processing Fee - Register	5,558.00	55.58
SCHOOLS/EXT DAY CARE	43581	Community Service Fees - Children	40,448.58	404.49
SHERIFF'S DEPT	42910	Proceeds from Confiscated Property	3,009.51	30.10
	43190	Other General Service Charges	842.00	8.42
	43350	Copy Fees	161.00	1.61
STATE OF TN	40210	Local Option Sales Tax	2,548,286.04	25,482.86
	40290	Telecommunications Tax	2,886.73	28.86
	46110	Juvenile Services Program	2,947.00	29.47
	46840	Alcoholic Beverage Tax	25,152.41	251.52
	46850	Mixed Drink Tax	8,766.90	87.67
	46851	State Revenue Sharing - T V A	210,827.23	2,108.27
	46920	Gasoline and Motor Fuel Tax	210,891.15	2,108.91
	46930	Petroleum Special Tax	7,093.93	70.94
STATE OF TN/LGIP	44110	Interest Earned	188.70	1.69
TENN TECH	44120	Lease/Rentals	300.00	3.00
TENN VALLEY AUTH	40161	Lieu of Taxes - TVA	1,012.86	10.13
TOTAL TELEPHONE CONCEPTS	43370	Telephone Commissions	2,203.62	22.04
1ST TN BANK INTEREST	44110	Interest Earned	126.17	1.14

COMMISSION ADJUSTMENTS

5,988,080.70 82,443.32

CORR VOIDED MR 154215				
CORR VOIDED MR 154215				21.36-
CORR VOIDED MR 154215				.12-
CORR VOIDED MR 154215				.10-
CORR VOIDED MR 154215				3.20-
CORR VOIDED MR 154215				2.38-
CORR VOIDED MR 154215				.18-
CORR VOIDED MR 154215				1.02-
CORR VOIDED MR 154215				40.76-
CORR VOIDED MR 154215				5.26-
CORR VOIDED MR 154215				2.00-
CORR VOIDED MR 154215				.36-
CORR VOIDED MR 154215				3.22-
CORR VOIDED MR 154215				50.58-

PROGRAM ID: TRT527
RUN DATE: 12/05/05
RUN TIME: 13:35:49

BLOUNT COUNTY TRUSTEE

COMMISSIONS REPORT FOR NOVEMBER 2005

RECEIVED FROM	ACCOUNT	TITLE	AMOUNT	COMMISSIONS
CORR VOIDED MR 154215				2.12-
SCHOOL COMMISSION				10,391.10
SCHOOL DEPOSIT TICKETS				73.48-
DEPOSIT TICKETS				65.00-
CHECKS AND DEPOSIT TICKETS				251.11-
SCHOOL DEPOSIT TICKETS				117.58-
HARLAND/LIBRARY DEP TICKETS				49.31-
HARLAND/TRUSTEE DEP STAMPS				40.22-
TRUSTEE'S COMMISSION REMITTED TO THE GENERAL FUND				92,105.06
FISCAL YEAR TO DATE TRUSTEE'S COMMISSION				870,980.70

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
53610	EDGAR A WILDER	523283	10/18-21/05	11/4/2005	388.06	1062863	101
54430	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523971	SEPT.05	11/18/2005	1364.88	1063449	101
54435	KATHY SHIELDS	524238	REIMBURSE	11/23/2005	32.28	1063732	101
54435	RICHY KREME DONUTS	524571	MEETING	11/29/2005	70.00	1062198	101
55190	BELLSOUTH TELECOMMUNICATIONS INC	523501	615Q797456	11/4/2005	438.34	64063066	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	16056.50	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	509.16	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	17.25	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	200.50	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	200.00	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523970	7&8/05	11/18/2005	21571.00	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523970	7&8/05	11/18/2005	8556.43	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523970	7&8/05	11/18/2005	8329.58	64063662	264
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523970	7&8/05	11/18/2005	60.00	64063662	264
Accounting & Budgeting	OFFICE DEPOT	523485	311882017	11/4/2005	8.78	1062892	101
Accounting & Budgeting	VIRGINIA WHITEHEAD	523462	OCT.05	11/4/2005	60.15	1062926	101
Accounting & Budgeting	VIRGINIA WHITEHEAD	523500	REIMB/FLORAL	11/4/2005	25.00	1062926	101
Accounting & Budgeting	ASSOCIATION OF GOVERNMENT	523576	D.BENNETT	11/8/2005	50.00	1062190	101
Accounting & Budgeting	BLOUNT COUNTY HIGHWAY DEPT	524137	1282	11/18/2005	128.48	1063447	101
Accounting & Budgeting	SUSAN A. GENNOE	523964	11/10/05	11/18/2005	16.28	1063535	101
Accounting & Budgeting	DAVE BENNETT	523944	REIMBURSE	11/18/2005	14.27	1063467	101
Accounting & Budgeting	JULIE TALBOTT	524094	11/15/05	11/18/2005	29.32	1063490	101
Accounting & Budgeting	NATALIE HARRIS	524093	11/15/05	11/18/2005	15.00	1063509	101
Accounting & Budgeting	DOROTHY ARNOLD	524252	REIMBURSE	11/23/2005	6.38	1063729	101
Accounting & Budgeting	SUNTRUST BANK CARD	523048	TARGET	11/28/2005	10.90	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	523050	CHICK-FIL-A,	11/28/2005	338.39	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	524179	FOOD CITY	11/28/2005	14.06	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	524181	SULLIVAN'S	11/28/2005	42.00	1063765	101
Agricultural Extension	BELLSOUTH TELECOMMUNICATIONS INC	523777	8659826430	11/10/2005	317.09	1063101	101
Agricultural Extension	LUCENT TECHNOLOGIES INC.	523776	8659826430	11/10/2005	53.04	1063140	101
Agricultural Extension	CITY OF ALCOA	524096	290033501	11/18/2005	18.54	1063459	101
Building Commissioner	ROGER FIELDS	523420	OCT.05	11/4/2005	155.38	1062904	101
Central Cafeteria	VICKY MCMURRAY	523399	9/28/05	11/4/2005	33.97	43063057	143
Central Cafeteria	VICKY MCMURRAY	523400	10/28/05	11/4/2005	32.35	43063057	143
Central Cafeteria	JUDY A MCCAULLEY	523712	OCT.05	11/10/2005	41.26	43063254	143
Central Cafeteria	JUDY DIXON	523711	OCT.05	11/10/2005	48.21	43063255	143
Central Cafeteria	NANCY GIBSON	523716	OCT.05	11/10/2005	25.20	43063263	143
Central Cafeteria	TERESA A GENTRY	523715	OCT.05	11/10/2005	102.72	43063267	143
Central Cafeteria	SHIRLEY ROBINSON	523713	OCT.05	11/10/2005	8.00	43063265	143
Central Cafeteria	KENNETH MCKENZIE	523714	OCT.05	11/10/2005	31.75	43063257	143

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Central Cafeteria	SHERRY THACKER	524099	10/28/05	11/18/2005	26.88	43063647	143
Central Cafeteria	LOUELLA WEBB	524098	10/28/05	11/18/2005	65.85	43063641	143
Central Cafeteria	SCHOOL NUTRITION ASSOCIATION	524121	D.GREEN	11/18/2005	30.00	43063646	143
Central Cafeteria	SCHOOL NUTRITION ASSOCIATION	524122	ALEXANDER	11/18/2005	30.00	43063646	143
Central Cafeteria	SCHOOL NUTRITION ASSOCIATION	524123	T.TUCKER	11/18/2005	30.00	43063646	143
Central Cafeteria	SCHOOL NUTRITION ASSOCIATION	524124	G.WORD	11/18/2005	30.00	43063646	143
Central Cafeteria	KAREN FORD	524603	10/28/05	12/1/2005	40.90	43064107	143
Central Cafeteria	BEVERLY HACKNEY	524608	10/26/05	12/1/2005	14.72	43064105	143
Central Cafeteria	EDWARD NED CONNELL	524609	10/28/05	12/1/2005	27.10	43064106	143
Circuit Court	TOM HATCHER	523418	10/31/05	11/4/2005	1640.00	1062920	101
Circuit Court	CHICK FIL A	523510	2506411	11/14/2005	114.33	1063311	101
Circuit Court	GONDOLIER ITALIAN RESTAURANT	523511	954	11/14/2005	98.09	1063319	101
Circuit Court	TOM HATCHER	524020	JURY	11/18/2005	10.00	1063542	101
Circuit Court	TOM HATCHER	524025	JURY	11/18/2005	830.00	1063542	101
Circuit Court	TOM HATCHER	524028	JURY	11/18/2005	130.00	1063542	101
Circuit Court	DEE DEE HORTON	524237	11/3/05	12/1/2005	50.00	1063888	101
Circuit Court	REX ROBERT DAVIS	524242	11/02/05	12/1/2005	50.00	1063946	101
Circuit Court	LARRY E. CUMMINGS	524243	11/10/05	12/1/2005	50.00	1063925	101
Circuit Court Clerk	PORTIA ABBOTT	523419	OCT.05	11/4/2005	26.37	1062897	101
Circuit Court Clerk	PAT GLASPIE	523300	10/31/05	11/4/2005	15.08	1062893	101
Circuit Court Clerk	SANDRA HODSON	524021	11/9/05	11/18/2005	28.40	1063524	101
Circuit Court Clerk	SANDRA HODSON	524026	REIMB/LUNCHEON	11/18/2005	8.66	1063524	101
Circuit Court Clerk	SUNTRUST BANK CARD	524478	NOV	11/28/2005	24.53	1063765	101
Circuit Court Clerk	SUNTRUST BANK CARD	524479	NOV	11/28/2005	1588.89	1063765	101
Clerk & Master	JAMES A CARROLL	524239	REIMBURSE	12/1/2005	17.48	1063914	101
County Clerk	BLOUNT COUNTY CLERK	523489	B.AMDERSON	11/4/2005	32.00	1062839	101
County Clerk	BLOUNT COUNTY HIGHWAY DEPT	523701	52000 OCT.05	11/10/2005	87.85	1063104	101
County Clerk	TENNESSEE MALT BEVERAGE ASSOCIATION	523702	2005-2006	11/10/2005	10.00	1063163	101
County Executive	ANGEL L MONROE	523854	REIMBURSE	11/10/2005	39.33	1062191	101
County Executive	BLOUNT COUNTY CHAMBER OF COMMERCE	524233	22477	12/1/2005	140.00	1063868	101
County Trustee	RECREATION & PARKS COMMISSION	523550	TRUSTEE	11/10/2005	20.00	1063156	101
County Trustee	MARY LINDA EDMONDS	524198	11/15/05	11/18/2005	10.00	1063503	101
County Trustee	ANNETTE STORIE	524197	11/15/05	11/18/2005	38.84	1063440	101
Drug Control	VILLAGE VETERINARY HOSPITAL	523695	11593,12315	11/10/2005	681.50	22063191	122
Drug Court	THERESA IRWIN	524143	11/9-10/05	11/18/2005	212.44	28063560	128
Drug Court	JAMES KELLY ROBERTS III	523995	515	11/18/2005	25.00	28063558	128
Drug Court	EARTHLINK INC.	523996	240767555	11/18/2005	29.90	28063557	128
Drug Court	SUNTRUST BANK CARD	524190	COMFORT SUITES	11/28/2005	77.72	28063768	128
Drug Court	U S CELLULAR	524570	8656594470	12/1/2005	80.07	28064004	128
Drug Enforcement	BUTLER WRECKER SERVICE	523428	3/17/04	11/4/2005	165.00	30063070	307

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Drug Enforcement	ARCH COMMUNICATIONS	523430	A7174162K	11/4/2005	232.84	30063069	307
Drug Enforcement	BELLSOUTH TELECOMMUNICATIONS INC	523771	8656811953	11/10/2005	46.53	30063279	307
Drug Enforcement	JONI SERATT	523772	11/2-3/05	11/10/2005	63.00	30063280	307
Drug Enforcement	BLOUNT COUNTY TRUSTEE	524175	OCT.05	11/18/2005	35.96	30063666	307
Drug Enforcement	JERRY ORR	524146	11/7-10/05	11/18/2005	119.00	30063668	307
Drug Enforcement	CITY OF MARYVILLE	524173	373963	11/18/2005	265.57	30063667	307
Drug Enforcement	RONALD G TALBOTT	524145	11/7-10/05	11/18/2005	119.00	30063674	307
Drug Enforcement	MARTY WIDENER	524148	11/7-10/05	11/18/2005	119.00	30063670	307
Drug Enforcement	MATTHEW MCKINNIS	524149	11/7-10/05	11/18/2005	119.00	30063671	307
Drug Enforcement	NEXTEL SOUTH CORP	524174	273180413045	11/18/2005	604.37	30063672	307
Drug Enforcement	JONI SERATT	524147	11/7-10/05	11/18/2005	119.00	30063669	307
Drug Enforcement	SUNTRUST BANK CARD	524180	XPRESS MART	11/28/2005	30.78	30063774	307
Drug Enforcement	AMERICAN FIDELITY BANK	524657	40460501	12/1/2005	2450.00	30063848	307
Election Commission	SUNTRUST BANK CARD	524185	HILTON NASHVILLE	11/28/2005	258.30	1063765	101
Emergency Management	BLOUNT COUNTY HIGHWAY DEPT	523750	54400	11/10/2005	45.78	1063104	101
Employee Benefits	AMERICAN FIDELITY BANK	523433	MED/DI-11/2/05	11/4/2005	166595.72	64063065	264
Employee Benefits	AMERICAN FIDELITY BANK	523434	DENTAL-11/2/05	11/4/2005	10666.20	65063068	265
Employee Benefits	HEALTH COST SOLUTIONS	523356	11/05	11/4/2005	36591.95	64063067	264
Employee Benefits	HEALTH COST SOLUTIONS	523356	11/05	11/4/2005	27998.76	64063067	264
Employee Benefits	AMERICAN FIDELITY BANK	523754	11/9 INMATES	11/10/2005	4221.87	64063277	264
Employee Benefits	AMERICAN FIDELITY BANK	523823	MED/DI-11/9	11/10/2005	199892.00	64063277	264
Employee Benefits	AMERICAN FIDELITY BANK	523824	DENTAL-11/9	11/10/2005	18054.02	65063278	265
Employee Benefits	AMERICAN FIDELITY BANK	523930	PR7	11/14/2005	8.50	64063386	264
Employee Benefits	AMERICAN FIDELITY BANK	523931	PR7	11/14/2005	1.99	64063386	264
Employee Benefits	AMERICAN FIDELITY BANK	524090	IN-11/16	11/18/2005	1553.69	64063660	264
Employee Benefits	AMERICAN FIDELITY BANK	524199	11/16 D	11/18/2005	12300.30	65063664	265
Employee Benefits	AMERICAN FIDELITY BANK	524200	11/16 M,DI	11/18/2005	234322.95	64063660	264
Employee Benefits	SEDGWICK CLAIMS MANAGEMENT SERVICES	524132	031666	11/18/2005	8816.70	26063665	266
Employee Benefits	SEDGWICK CLAIMS MANAGEMENT SERVICES	524133	LIA/31666	11/18/2005	9758.55	26063659	263
Employee Benefits	BLOUNT MEMORIAL HOSPITAL	524134	03071905	11/18/2005	6148.00	64063661	264
Employee Benefits	USABLE LIFE	523954	10/01/05	11/18/2005	13924.79	64063663	264
Employee Benefits	AMERICAN FIDELITY BANK	524466	11/22 INMATES	11/23/2005	4324.72	64063751	264
Employee Benefits	AMERICAN FIDELITY BANK	524467	11/22 D	11/23/2005	17109.94	65063752	265
Employee Benefits	AMERICAN FIDELITY BANK	524468	11/22 M,DI	11/23/2005	150070.53	64063751	264
Employee Benefits	AMERICAN FIDELITY BANK	524469	11/18 RX	11/23/2005	103119.77	64063751	264
Employee Benefits	SEDGWICK CLAIMS MANAGEMENT SERVICES	524244	031795	11/23/2005	24810.00	26063753	266
Employee Benefits	AMERICAN FIDELITY BANK	524597	11/29 RX	12/1/2005	113148.10	64064117	264
Employee Benefits	HEALTH COST SOLUTIONS	524632	12/05	12/1/2005	36445.80	64064119	264
Employee Benefits	HEALTH COST SOLUTIONS	524632	12/05	12/1/2005	27857.44	64064119	264
Ext Day Care Program	KATHY SMITH	523517	10/27/05	11/14/2005	77.44	46063381	146

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Ext Day Care Program	ALISA MOORE	523518	10/27/05	11/14/2005	23.52	46063378	146
Federal Projects	BLOUNT COUNTY TRUSTEE	523319	RECLASS DEP	11/4/2005	17681.05	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523319	RECLASS DEP	11/4/2005	1414.08	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	12529.04	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	776.80	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	1073.74	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	48.64	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	1760.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	77.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523320	RECLASS DEP	11/4/2005	181.67	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	13636.38	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	845.46	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	750.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	48.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	1320.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	57.75	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523321	RECLASS DEP	11/4/2005	197.73	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523322	RECLASS DEP	11/4/2005	13588.14	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	7186.68	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	445.57	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	615.90	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	27.84	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	1320.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	57.75	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	104.21	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523323	RECLASS DEP	11/4/2005	300.00	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523324	RECLASS DEP	11/4/2005	13336.68	42063040	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523486	RECLASS	11/4/2005	559.71	42063040	142
Federal Projects	CONNIE ROBERTS	523366	9/28-29/05	11/4/2005	103.36	42063026	142
Federal Projects	CARI REAGAN	523484	10/19-22/05	11/4/2005	530.15	42063025	142
Federal Projects	BLOUNT COUNTY TRUSTEE	523581	RECLASS	11/10/2005	8.06	42063239	142
Federal Projects	JUDY ALISA TEFFETELLER	523706	10/20-21/05	11/10/2005	31.00	42063243	142
Federal Projects	JUDY ALISA TEFFETELLER	523707	OCT.05	11/10/2005	53.38	42063243	142
Federal Projects	LISA BALDWIN	523756	OCT.05	11/10/2005	11.14	42063244	142
Federal Projects	BLOUNT COUNTY TRUSTEE	524091	WK.COMP	11/18/2005	4.42	42063623	142
Federal Projects	BLOUNT COUNTY TRUSTEE	524115	REVENUE	11/18/2005	1524.62	42063623	142
Federal Projects	SHARON A TEFFETELLER	524006	58-63-11/29/05	11/18/2005	5934.00	42063627	142
Federal Projects	STAR LIMOUSINE SERVICE	524005	77-11/29/05	11/18/2005	2967.00	42063628	142
Field Line Inspection	GARY FERGUSON	523287	10/31/05	11/4/2005	527.84	1062866	101
Field Line Inspection	GREGORY A. MOYERS	523288	10/31/05	11/4/2005	455.08	1062867	101

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Field Line Inspection	GUY WALKER	523290	10/31/05	11/4/2005	438.50	1062868	101
Field Line Inspection	J MICHAEL DOSSETT	523286	10/31/05	11/4/2005	460.18	1062871	101
Field Line Inspection	BRAD BOWERS	523289	10/26/05	11/4/2005	231.68	1062843	101
Field Line Inspection	BELLSOUTH TELECOMMUNICATIONS INC	523753	681-9301	11/10/2005	262.60	1063101	101
Field Line Inspection	MAIL PROCESSING CENTER INC	524139	OCT.05	11/18/2005	46.15	1063502	101
Field Line Inspection	SUNTRUST BANK CARD	524183	FOOD LION	11/28/2005	24.70	1063765	101
Field Line Inspection	GARY FERGUSON	524613	11/30/05	12/1/2005	450.34	1063903	101
Field Line Inspection	ROGER FIELDS	524614	11/29/05	12/1/2005	34.50	1063950	101
Field Line Inspection	GREGORY A. MOYERS	524615	11/30/05	12/1/2005	420.44	1063905	101
Field Line Inspection	GUY WALKER	524611	11/29/05	12/1/2005	346.38	1063906	101
Field Line Inspection	J MICHAEL DOSSETT	524612	11/29/05	12/1/2005	324.76	1063913	101
Field Line Inspection	BRAD BOWERS	524610	11/22/05	12/1/2005	206.08	1063875	101
General County Debit	AMERICAN FIDELITY BANK	524136	QZAB04-01	11/17/2005	39085.94	51062194	151
General County Debit	AMERICAN FIDELITY BANK	524178	11021363609980	11/18/2005	95.00	51063654	151
General County Debit	AMERICAN FIDELITY BANK	524191	BONDS11/05	11/18/2005	948658.90	51063654	151
General County Debit	AMERICAN FIDELITY BANK	524191	BONDS11/05	11/18/2005	34980.81	51063654	151
General Sessions Court	TOM HATCHER	523421	11/01/05	11/4/2005	4403.00	1062919	101
General Sessions Court	TN GEN SESSIONS JUDGE CONF	523284	D.DUGGAN	11/4/2005	50.00	1062918	101
General Sessions Court	TN GEN SESSIONS JUDGE CONF	523417	W.R.BREWER	11/4/2005	50.00	1062918	101
General Sessions Court	TOM HATCHER	523774	ABC	11/10/2005	4466.00	1063167	101
General Sessions Court	BLOUNT COUNTY HIGHWAY DEPT	524023	53120	11/18/2005	165.46	1063447	101
General Sessions Court	TOM HATCHER	524027	ABC	11/18/2005	2116.28	1063541	101
General Sessions Court	KNOXVILLE AREA COMMUNITY CENTER	524022	C100504	11/18/2005	60.00	1063496	101
General Sessions Court	TOM HATCHER	524560	ABC	12/1/2005	4102.00	1063972	101
General Sessions Court	TOM HATCHER	524595	ABC	12/1/2005	4438.00	1063972	101
General Sessions Court	KNOXVILLE AREA COMMUNITY CENTER	524559	C100503	12/1/2005	115.88	1063922	101
Highway	FORT LOUDOUN ELECTRIC COOPERATIVE	523488	30525302	11/4/2005	26.83	31062957	131
Highway	KNOXVILLE UTILITIES BOARD	523487	1245100000	11/4/2005	74.58	31062960	131
Highway	BLOUNT COUNTY TRUSTEE	523525	SUPPLIES	11/14/2005	26.14	31063348	131
Highway	FORT LOUDOUN ELECTRIC COOPERATIVE	523522	37032401	11/14/2005	32.71	31063349	131
Highway	HARRISON CONSTRUCTION CO	523512	9181187,	11/14/2005	5110.84	31063350	131
Highway	HARRISON CONSTRUCTION CO	523523	9191902	11/14/2005	12416.80	31063350	131
Highway	OFFICE DEPOT	523526	311882010001	11/14/2005	20.93	31063353	131
Highway	METROCALL INC	523524	8654506012,	11/14/2005	72.80	31063352	131
Highway	CITY OF ALCOA	523941	290024001,290027001,	11/18/2005	924.62	31063563	131
Highway	CITY OF ALCOA	523941	290024001,290027001,	11/18/2005	144.91	31063563	131
Highway	ALLIED ELECTRIC CO INC	523936	259911	11/18/2005	41.33	31063562	131
Highway	GARAGE DOORS OF MARYVILLE INC	524141	11630	11/18/2005	35.00	31063564	131
Highway	HARRISON CONSTRUCTION CO	523942	9204258,9204259,	11/18/2005	24026.14	31063565	131
Highway	TRI-CO IND SUPPLY	524140	296824-001	11/18/2005	27.54	31063576	131

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Highway	CITY OF ALCOA	524480	351013501	11/28/2005	71.58	31063769	131
Highway	HARRISON CONSTRUCTION CO	524558	9214925,	12/1/2005	5919.01	31064008	131
Highway	HARRISON CONSTRUCTION CO	524566	9227173	12/1/2005	474.71	31064008	131
Highway	JONES EQUIPMENT CO	524557	PARTS	12/1/2005	24.50	31064010	131
Highway	ATMOS ENERGY	524561	5010241334033,	12/1/2005	1048.94	31064007	131
Human Resources	BETSY CUNNINGHAM	523281	9/21-10/27/05	11/4/2005	91.16	1062838	101
Human Resources	DON STALLIONS	523425	9/27,28/05	11/4/2005	26.98	1062861	101
Human Resources	BAKER,DONELSON,BEARMAN,CALDWELL	524131	6764979	11/18/2005	222.00	1063442	101
Hwy Safety Grant-Sheriff	INSTITUTE OF POLICE TECH & MGM	523431	11/7-11/05	11/4/2005	900.00	1062870	101
Hwy Safety Grant-Sheriff	JAMES LONG	523504	10/26-27/05	11/14/2005	46.50	1063321	101
Hwy Safety Grant-Sheriff	HOME BANK	524019	42294100167	11/18/2005	115.07	1063480	101
Information Technology	MPI NET	523752	156499	11/10/2005	29.85	1063148	101
Inspection & Regulation	CITY OF MARYVILLE	523376	351234	11/4/2005	1522.21	1062850	101
Inspection & Regulation	PETTY CASH	523380	EXPENSES	11/4/2005	26.59	1062895	101
Inspection & Regulation	BELLSOUTH TELECOMMUNICATIONS INC	523377	8659834582	11/4/2005	375.21	1062837	101
Inspection & Regulation	ARAMARK INC	523372	5234783373	11/4/2005	25.16	1062831	101
Inspection & Regulation	ANITA BOLINGER	523379	10/31/05	11/4/2005	226.74	1062830	101
Inspection & Regulation	QUEST DIAGNOSTICS	523552	9110509993	11/10/2005	4.47	1063154	101
Inspection & Regulation	MAIL PROCESSING CENTER INC	523551	OCT.05	11/10/2005	160.56	1063142	101
Inspection & Regulation	GAY MILLER	524144	OCT.05	11/18/2005	14.64	1063477	101
Inspection & Regulation	BELLSOUTH TELECOMMUNICATIONS INC	524095	8655221333	11/18/2005	142.90	1063445	101
Inspection & Regulation	LUCENT TECHNOLOGIES INC.	524253	983-7582	11/23/2005	390.02	1063734	101
Inspection & Regulation	LUCENT TECHNOLOGIES INC.	524254	522-1333	11/23/2005	29.71	1063734	101
Inspection & Regulation	ARAMARK INC	524562	5234793211	12/1/2005	21.56	1063864	101
Inspection & Regulation	ARAMARK INC	524617	5234802509	12/1/2005	22.76	1063864	101
Jail	JAMES KELLY ROBERTS III	523293	1175	11/4/2005	4764.09	1062872	101
Jail	WILLIAM K. MINCEY	523697	11/3-4/05	11/10/2005	88.00	1063174	101
Jail	JAMES KELLY ROBERTS III	523699	1176	11/10/2005	5281.01	1063130	101
Jail	LECONTE RADIOLOGY	523694	415530476	11/10/2005	45.00	1063137	101
Jail	LISA R. HOARD	523720	10/23-28/05	11/10/2005	178.81	1063139	101
Jail	RECREATION & PARKS COMMISSION	523532	ENTRY FEE	11/14/2005	20.00	1063332	101
Jail	LECONTE RADIOLOGY	523530	2887077,	11/14/2005	90.00	1063325	101
Jail	FAIRFIELD INN BY MARRIOTT	523508	80550646,	11/14/2005	404.25	1063314	101
Jail	BLOUNT COUNTY TRUSTEE	523982	11/9 INMATES	11/18/2005	4221.87	1063448	101
Jail	BLOUNT COUNTY TRUSTEE	524142	11/16 INMATES	11/18/2005	1553.69	1063448	101
Jail	DAVID K CALVERT MD	523985	AUG-OCT 05	11/18/2005	5000.01	1063468	101
Jail	LOWE'S DRUG INC	523986	11/08/05	11/18/2005	569.87	1063500	101
Jail	QUALITY MOBILE MEDICAL SERVICES INC	524088	1052	11/18/2005	590.73	1063518	101
Jail	CATHY TALBOTT	523992	11/1-5/05	11/18/2005	153.00	1063454	101
Jail	JAMES KELLY ROBERTS III	523983	1177	11/18/2005	6079.57	1063485	101

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Jail	LISA R. HOARD	523993	11/1-5/05	11/18/2005	153.00	1063499	101
Jail	SUNTRUST BANK CARD	524184	SHELL OIL	11/28/2005	19.00	1063765	101
Jail	SUNTRUST BANK CARD	524189	SHELL OIL	11/28/2005	35.65	1063765	101
Jail	BLOUNT COUNTY TRUSTEE	524618	INMATES	12/1/2005	4324.72	1063870	101
Jail	ELIGA HALL	524552	REIMB	12/1/2005	10.59	1063893	101
Jail	RONNIE PAUL REAGAN	524621	REIMB/MATERIALS	12/1/2005	89.78	1063951	101
Jail	BLOUNT MEMORIAL HOSPITAL	524579	28870771,28898251,	12/1/2005	576.00	1063871	101
Jail	JAMES KELLY ROBERTS III	524551	1178	12/1/2005	5382.52	1063916	101
Jail	JAMES KELLY ROBERTS III	524578	1179	12/1/2005	5035.46	1063916	101
Jail	DIAMOND PHARMACY SERVICES	524573	51031Q2	12/1/2005	17622.37	1063890	101
Juvenile Court	CYNTHIA CLABOUGH-DUNLAP	523375	10/31/05	11/4/2005	67.42	1062854	101
Juvenile Court	AMANDA G. MAY	523373	10/28/05	11/4/2005	55.38	1062826	101
Juvenile Court	DHL EXPRESS(USA) INC.	523429	R7465640	11/4/2005	14.00	1062859	101
Juvenile Court	TN GEN SESSIONS JUDGE CONF	523751	W.T.DENTON	11/10/2005	100.00	1063166	101
Juvenile Court	TOM HATCHER	523527	ABC	11/14/2005	25970.00	1063334	101
Juvenile Court	DHL EXPRESS(USA) INC.	523977	S1030341	11/18/2005	14.00	1063470	101
Juvenile Court	TOM HATCHER	524564	ABC	12/1/2005	25983.00	1063973	101
Juvenile Services	BLOUNT MEMORIAL HOSPITAL INC	523698	60781	11/10/2005	167.00	1063105	101
Juvenile Services	PAUL CASH SAFETY FORCE	523509	4/TRAINING	11/14/2005	450.00	1063331	101
Juvenile Services	LOWE'S DRUG INC	523986	11/08/05	11/18/2005	94.97	1063500	101
Juvenile Services	PARK MED AMBULATORY CARE,PC	524550	17715	12/1/2005	87.00	1063940	101
Medical Examiner	UNIVERSITY PATHOLOGISTS PC	523545	102005-01	11/10/2005	2600.00	1063171	101
Medical Examiner	ROBERT M POTTER,MD	523746	NOV.05	11/10/2005	975.00	1063157	101
Medical Examiner	DAVID M. GILLIAM	523744	NOV.05	11/10/2005	150.00	1063113	101
Medical Examiner	MICHAEL DALE TEAGUE	523747	NOV.05	11/10/2005	150.00	1063146	101
Medical Examiner	BLOUNT PATHOLOGISTS PLLC	523743	9/05,10/05	11/10/2005	2000.00	1063106	101
Medical Examiner	SAINT LOUIS UNIVERSITY	523748	7/05-10/05	11/10/2005	2050.00	1063159	101
Medical Examiner	HAROLD EDWARD SIGHTLER	523745	NOV.05	11/10/2005	75.00	1063123	101
Medical Examiner	BALDWIN'S GREATER KNOXVILLE	524177	10298	11/18/2005	90.00	1063443	101
Medical Personnel	CYNTHIA JOHNSON RN	523378	10/14/05	11/4/2005	12.16	1062855	101
Other General Admin	CITY OF MARYVILLE	523463	672,714	11/4/2005	9505.20	1062849	101
Other General Admin	CRAWFORD, CRAWFORD & NEWTON	523424	OCT.05	11/4/2005	6487.00	1062853	101
Other General Admin	CITY OF MARYVILLE	523302	351253,	11/4/2005	145.92	1062850	101
Other General Admin	METROCALL INC	523402	A45752K	11/4/2005	77.54	1062886	101
Other General Admin	UNITED STATES POSTAL SERVICE	523301	11528718	11/4/2005	300.00	1062925	101
Other General Admin	SOUTHEASTERN TELECOM INC	523749	255754	11/10/2005	195.93	1063162	101
Other General Admin	MATTHEW BENDER & CO INC	523535	14165031	11/10/2005	11.05	1063144	101
Other General Admin	POSTMASTER	523547	PERMIT#165	11/10/2005	150.00	1063152	101
Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	523546	M45-6715	11/10/2005	548.23	1063101	101
Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	523703	M45-1607	11/10/2005	185.61	1063101	101

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Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	523704	681-4385	11/10/2005	188.02	1063101	101
Other General Admin	UNITED PARCEL SERVICE	523693	F63726435	11/10/2005	40.13	1063170	101
Other General Admin	METROCALL INC	523548	A0051370K	11/10/2005	2574.69	1063145	101
Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	523577	8656818925	11/14/2005	37.79	1063303	101
Other General Admin	MAIL PROCESSING CENTER INC	523529	10/05	11/14/2005	8555.43	1063327	101
Other General Admin	CITY OF ALCOA	523952	460032601	11/18/2005	18.69	1063459	101
Other General Admin	CITY OF MARYVILLE	523950	729	11/18/2005	1904.48	1063461	101
Other General Admin	FORT LOUDOUN ELECTRIC COOPERATIVE	523951	71316402	11/18/2005	39.43	1063475	101
Other General Admin	CINGULAR WIRELESS	524029	8653685986	11/18/2005	34.90	1063458	101
Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	523934	982-5123	11/18/2005	75.65	1063445	101
Other General Admin	UNITED PARCEL SERVICE	523979	F63726455	11/18/2005	321.18	1063546	101
Other General Admin	U S CELLULAR	524024	8653632630	11/18/2005	57.09	1063544	101
Other General Admin	LUCENT TECHNOLOGIES INC.	523935	982-5123	11/18/2005	27.83	1063501	101
Other General Admin	UNITED STATES POSTAL SERVICE	524008	159838	11/18/2005	300.00	1063547	101
Other General Admin	UNISHIPPERS	523943	1001648948	11/18/2005	13.01	1063545	101
Other General Admin	UNISHIPPERS	524138	1001665030	11/18/2005	19.27	1063545	101
Other General Admin	GTE WIRELESS/VERIZON	524235	1130760447	11/23/2005	36.39	1063731	101
Other General Admin	FORT LOUDOUN ELECTRIC COOPERATIVE	524555	79826381	12/1/2005	15.10	1063899	101
Other General Admin	BELLSOUTH TELECOMMUNICATIONS INC	524554	8659822724	12/1/2005	36.72	1063867	101
Other General Admin	ATMOS ENERGY	524574	50461204224729630	12/1/2005	1649.95	1063866	101
Other General Admin	UNITED PARCEL SERVICE	524549	F63726465	12/1/2005	68.91	1063976	101
Other General Admin	UNITED PARCEL SERVICE	524577	F63726475	12/1/2005	24.13	1063976	101
Other Local Welfare	HELEN ROSS MCNABB CENTER INC	523282	8/15	11/4/2005	10401.20	1062869	101
PBA	CRAWFORD, CRAWFORD & NEWTON	523427	OCT.05	11/4/2005	1274.00	89063063	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523398	4054,3048,11111	11/4/2005	57727.36	89063062	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523398	4054,3048,11111	11/4/2005	6412.50	89063062	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523398	4054,3048,11111	11/4/2005	112.13	89063062	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523755	4054,3048,11111	11/10/2005	616618.43	89063275	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523755	4054,3048,11111	11/10/2005	1042.00	89063275	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	523755	4054,3048,11111	11/10/2005	166.82	89063275	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	524135	4056,4054,11111	11/18/2005	54795.00	89063655	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	524135	4056,4054,11111	11/18/2005	286361.16	89063655	189
PBA	BLOUNT COUNTY PUBLIC BUILDING	524135	4056,4054,11111	11/18/2005	101.70	89063655	189
PBA	BLF MARKETING	524665	727-0,	12/1/2005	557.29	89064113	189
Planning	JOHN LAMB	523374	10/27/05	11/4/2005	51.80	1062875	101
Property Assessors	DAVID WEAVER	523297	10/27/05	11/4/2005	24.84	1062857	101
Property Assessors	DANIEL J. PERKINS	523299	10/31/05	11/4/2005	65.84	1062856	101
Property Assessors	PHIL WILLIAMS	523295	10/28/05	11/4/2005	105.96	1062896	101
Property Assessors	BLOUNT COUNTY HIGHWAY DEPT	523521	52300	11/14/2005	131.19	1063305	101
Property Assessors	TAMYRA A. BROWN	523957	11/9/05	11/18/2005	10.00	1063536	101

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Property Assessors	MIKE MORTON	524092	11/15/05	11/18/2005	13.00	1063505	101
Property Assessors	KIMBERLY FRANTZ	523958	11/9/05	11/18/2005	10.00	1063494	101
Property Tax Reappraisal	LARRY L JONES	523298	10/24/05	11/4/2005	23.70	1062880	101
Property Tax Reappraisal	TIM HELTON	523294	10/11/05	11/4/2005	7.22	1062917	101
Property Tax Reappraisal	BOBBY R. STINNETT	523296	10/4/05	11/4/2005	25.84	1062842	101
Public Library	CITY OF MARYVILLE	523364	341307,	11/4/2005	11556.80	15062934	115
Public Library	RECORDED BOOKS INC	523357	2632644,	11/4/2005	1037.00	15062945	115
Public Library	U S LEC OF TENNESSEE INC	523401	14181397	11/4/2005	828.59	15062950	115
Public Library	DEBORAH D YARNELL	523360	10/05	11/4/2005	240.00	15062935	115
Public Library	MATTHEW F JACKSON	523361	10/05	11/4/2005	360.00	15062941	115
Public Library	PATRICIA THOMPSON	523365	10/24-26/05	11/4/2005	224.12	15062943	115
Public Library	BRETT R. HALL	523358	10/05	11/4/2005	360.00	15062932	115
Public Library	J SCOTT SPICER	523363	10/05	11/4/2005	180.00	15062937	115
Public Library	JOHN KYLE MITCHELL	523359	10/05	11/4/2005	220.00	15062938	115
Public Library	WILLIAM J DIFFIE	523362	10/05	11/4/2005	60.00	15062952	115
Public Library	NATIONAL INFORMATION DATA CENTER	523769	DIRECTORY	11/10/2005	49.90	15063183	115
Public Library	THE GALE GROUP INC	523519	14287612,	11/14/2005	751.05	15063343	115
Public Library	THE GALE GROUP INC	523520	14293524	11/14/2005	204.75	15063343	115
Public Library	BAKER & TAYLOR	524240	5006383696,	11/23/2005	1838.94	15063740	115
Public Library	BAKER & TAYLOR	524241	5006428977,	11/23/2005	123.22	15063740	115
Public Library	SUNTRUST BANK CARD	524246	WALMART	11/28/2005	15.51	15063766	115
Purchasing	AMANDA VINCENT	523291	10/31/05	11/4/2005	8.56	1062827	101
Purchasing	LAURI BELL	523292	10/20/05	11/4/2005	14.00	1062881	101
Purchasing	CONGRESSIONAL QUARTERLY INC	523987	#137532	11/18/2005	16.00	1063464	101
Records Management	BLOUNT COUNTY HISTORIC TRUST	523423	J.L.GLENN	11/4/2005	15.00	1062840	101
Records Management	BLOUNT COUNTY HISTORICAL MUSEUM	523426	J.GLENN	11/4/2005	15.00	1062841	101
Records Management	JACKIE GLENN	523967	11/9-10/05	11/18/2005	266.76	1063483	101
Register of Deeds	BLOUNT COUNTY CHAMBER OF COMMERCE	524196	22471	11/18/2005	150.00	1063446	101
Register of Deeds	PENNY WHALEY	524031	11/15/05	11/18/2005	14.00	1063514	101
Register of Deeds	NIHLA MCCALL	524032	11/15/05	11/18/2005	37.60	1063512	101
Schools	CITY OF ALCOA	523304	080611801,	11/4/2005	8402.00	41062973	141
Schools	CITY OF ALCOA	523306	080612501,	11/4/2005	898.04	41062973	141
Schools	CITY OF ALCOA	523306	080612501,	11/4/2005	864.93	41062973	141
Schools	CITY OF ALCOA	523316	170008001,	11/4/2005	10672.86	41062973	141
Schools	LYNDA G LYDA	523308	10/28/05	11/4/2005	214.63	41062995	141
Schools	FORT LOUDOUN ELECTRIC COOPERATIVE	523305	90093101	11/4/2005	436.91	41062979	141
Schools	FORT LOUDOUN ELECTRIC COOPERATIVE	523432	32036501,	11/4/2005	887.18	41062979	141
Schools	HERITAGE HIGH SCHOOL	523404	TRANSPORT	11/4/2005	12500.00	41062986	141
Schools	CITY OF MARYVILLE	523326	359168,	11/4/2005	4597.08	41062974	141
Schools	CITY OF MARYVILLE	523327	359167	11/4/2005	15.56	41062974	141

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Schools	CITY OF MARYVILLE	523327	359167	11/4/2005	1142.15	41062974	141
Schools	BETTY WAGNER	523310	10/28/05	11/4/2005	88.24	41062970	141
Schools	SOUTH BLOUNT UTILITY DIST	523303	2319	11/4/2005	1115.50	41063010	141
Schools	DAVID COOK	523311	10/31/05	11/4/2005	117.56	41062976	141
Schools	TN DEPT OF LABOR AND WORKFORCE	523403	6502226,	11/4/2005	3055.35	41063020	141
Schools	UNITED PARCEL SERVICE	523318	4RW236435	11/4/2005	61.95	41063021	141
Schools	WILLIAM BLOUNT HIGH SCHOOL	523405	TRANSPORT	11/4/2005	12500.00	41063023	141
Schools	TAMMY CASH	523312	10/28/05	11/4/2005	19.87	41063014	141
Schools	KAY BEST	523368	10/26/05	11/4/2005	50.60	41062992	141
Schools	LUCENT TECHNOLOGIES INC.	523307	6159828152	11/4/2005	774.46	41062994	141
Schools	THOMAS J JOHNSON	523367	10/28/05	11/4/2005	29.13	41063019	141
Schools	STATE OF TENNESSEE	523317	334075	11/4/2005	70.00	41063011	141
Schools	TENNESSEE BUREAU OF INVESTIGATION	523314	6 PRINTS	11/4/2005	288.00	41063016	141
Schools	SUSAN LEE	523309	10/28/05	11/4/2005	124.94	41063013	141
Schools	DIANE BAIN	523315	10/28/05	11/4/2005	51.29	41062977	141
Schools	RICHARD L PASS	523325	221394	11/4/2005	120.00	41063007	141
Schools	MARSH AFFINITY GROUP SERVICES	523381	334453	11/4/2005	979.00	41062998	141
Schools	ALISA MOORE	523371	10/21/05	11/4/2005	22.40	41062968	141
Schools	GLENN VITALE	523370	10/31/05	11/4/2005	142.62	41062982	141
Schools	CHRIS HUGHES	523369	10/28/05	11/4/2005	84.94	41062972	141
Schools	CYNTHIA SUE WEIMER	523313	10/27/05	11/4/2005	36.94	41062975	141
Schools	CITY OF ALCOA	523709	140090001,143305002,	11/10/2005	68.33	41063208	141
Schools	CITY OF MARYVILLE	523537	352246	11/10/2005	167.02	41063209	141
Schools	CITY OF MARYVILLE	523537	352246	11/10/2005	127.84	41063209	141
Schools	CITY OF MARYVILLE	523538	352249,352248,352245,	11/10/2005	1812.34	41063209	141
Schools	TUCKALEECHIE UTILITY	523536	2201000001,	11/10/2005	557.19	41063235	141
Schools	TUCKALEECHIE UTILITY	523539	2202875001	11/10/2005	33.40	41063235	141
Schools	ATMOS ENERGY	523710	131508,135341	11/10/2005	1495.42	41063202	141
Schools	BLOUNT MEMORIAL HOSPITAL INC	523721	60825	11/10/2005	302.00	41063205	141
Schools	KEITH A. EARLEY	523705	OCT.05	11/10/2005	125.88	41063217	141
Schools	MAIL PROCESSING CENTER INC	523534	OCT.05	11/10/2005	1612.20	41063220	141
Schools	MARY JANE JONES	523708	OCT.05	11/10/2005	112.58	41063221	141
Schools	FRANCINE L REYNOLDS	523544	OCT.05	11/10/2005	42.58	41063210	141
Schools	NANCY R SYLVIA	523543	OCT.05	11/10/2005	136.02	41063225	141
Schools	CATHY WILKERSON	523541	OCT.05	11/10/2005	5.52	41063207	141
Schools	BRIAN DILLARD	523718	OCT.05	11/10/2005	75.88	41063206	141
Schools	NANCY POTTER	523542	OCT.05	11/10/2005	43.42	41063224	141
Schools	LEWIS EDGE	523540	OCT.05	11/10/2005	110.28	41063219	141
Schools	BLOUNT COUNTY HIGHWAY DEPT	523580	71120,	11/14/2005	5146.05	41063360	141
Schools	KEN WAHLERS	523514	10/31/05	11/14/2005	43.84	41063366	141

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Schools	FRIENDSVILLE CITY WATER WORKS	523585	121800001,	11/14/2005	516.22	41063362	141
Schools	JUDITH RICE	523582	10/28/05	11/14/2005	97.92	41063364	141
Schools	ATMOS ENERGY	523584	501232827338656,	11/14/2005	4140.30	41063359	141
Schools	UNITED PARCEL SERVICE	523579	4RW236445	11/14/2005	12.55	41063373	141
Schools	KAREN MOFFATT	523516	10/27/05	11/14/2005	23.98	41063365	141
Schools	GARY IRWIN	523515	10/28/05	11/14/2005	45.36	41063363	141
Schools	DOWDLE PROPANE GAS CO	523583	2355	11/14/2005	412.65	41063361	141
Schools	CITY OF ALCOA	523939	140089501	11/18/2005	8607.00	41063582	141
Schools	CITY OF ALCOA	523939	140089501	11/18/2005	624.15	41063582	141
Schools	CITY OF ALCOA	523940	143340002,143335002,	11/18/2005	34325.93	41063582	141
Schools	CITY OF ALCOA	524010	290033001	11/18/2005	275.51	41063582	141
Schools	CITY OF ALCOA	524010	290033001	11/18/2005	30.27	41063582	141
Schools	CITY OF ALCOA	524116	350366401,350366501,	11/18/2005	246.22	41063582	141
Schools	CITY OF ALCOA	524117	461037901,350366101	11/18/2005	1421.26	41063582	141
Schools	CITY OF ALCOA	524118	350365603	11/18/2005	7541.85	41063582	141
Schools	CITY OF ALCOA	524118	350365603	11/18/2005	492.66	41063582	141
Schools	CITY OF ALCOA	523956	419918,	11/18/2005	293.19	41063583	141
Schools	KEN WAHLERS	523955	11/6-8/05	11/18/2005	159.81	41063593	141
Schools	JOHN CLABOUGH III	524000	51-57-95-11/29/05	11/18/2005	8459.00	41063591	141
Schools	MILDRED G DANIELS	523961	10/26/05	11/18/2005	23.11	41063601	141
Schools	REFUNDS	524007	REF/PRINTS	11/18/2005	24.00	41063622	141
Schools	SMITH BUS LINES	524003	53-54-11/29/05	11/18/2005	5272.00	41063609	141
Schools	CITY OF MARYVILLE	524009	317281,	11/18/2005	616.48	41063584	141
Schools	CITY OF MARYVILLE	524011	317296	11/18/2005	444.33	41063584	141
Schools	CITY OF MARYVILLE	524012	317296	11/18/2005	4470.81	41063584	141
Schools	CITY OF MARYVILLE	524012	317296	11/18/2005	54.81	41063584	141
Schools	OLLIE H BORING	523999	71-11/29/05	11/18/2005	2967.00	41063603	141
Schools	SOUTH BLOUNT UTILITY DIST	523968	3627484000,	11/18/2005	7212.12	41063610	141
Schools	U S CELLULAR	524100	8652569871	11/18/2005	65.42	41063619	141
Schools	LEANN M. LAMBERT	524001	50-52-78-93-94-11/29/0	11/18/2005	13826.00	41063595	141
Schools	LEANN M. LAMBERT	524119	BUS #78	11/18/2005	8320.00	41063595	141
Schools	METROCALL INC	524097	8652121611,	11/18/2005	979.64	41063599	141
Schools	ROBIN CELESTE COOK	523963	10/28/05	11/18/2005	44.69	41063608	141
Schools	ROBIN CELESTE COOK	524176	11/2-4/05	11/18/2005	312.36	41063608	141
Schools	STATE OF TENNESSEE	523960	334580	11/18/2005	60.00	41063614	141
Schools	TENNESSEE BUREAU OF INVESTIGATION	523998	11 PRINTS	11/18/2005	504.00	41063616	141
Schools	RICHARD L PASS	524195	221397	11/18/2005	60.00	41063606	141
Schools	ISAAC EUGENE MCLEMORE	524002	68-11/29/05	11/18/2005	2636.00	41063590	141
Schools	STAR LIMOUSINE SERVICE	524004	61-11/29/05	11/18/2005	2636.00	41063613	141
Schools	ANGELA KAYE CUNNINGHAM	523962	10/27/05	11/18/2005	5.06	41063580	141

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Schools	MICHELLE R ALLMON	523938	10/6-11/2/05	11/18/2005	98.28	41063600	141
Schools	KIMBERLY D MAY	523953	OCT.05	11/18/2005	166.32	41063594	141
Schools	LEWIS EDGE	523959	11/10/05	11/18/2005	68.54	41063596	141
Schools	BARBARA B GREGORY	523779	10-31/11-29	11/21/2005	7210.22	41063690	141
Schools	BARBARA B GREGORY	524232	10&11/05-FUEL	11/21/2005	2112.00	41063690	141
Schools	JOHN CLABOUGH III	523787	8-31/11-29	11/21/2005	11193.55	41063701	141
Schools	JOHN CLABOUGH III	524228	10&11/05-FUEL	11/21/2005	5466.24	41063701	141
Schools	FRANK CONNATSER	523782	8-31/11-29	11/21/2005	3607.63	41063694	141
Schools	FRANK CONNATSER	524226	10&11/05-FUEL	11/21/2005	986.00	41063694	141
Schools	FRANKLIN TEFFETELLER	523784	8-31/11-29	11/21/2005	5585.33	41063696	141
Schools	FRANKLIN TEFFETELLER	524209	10&11/05-FUEL	11/21/2005	1284.00	41063696	141
Schools	JACK CLEMMER	523794	10-31/11-29	11/21/2005	3220.42	41063698	141
Schools	JACK CLEMMER	524227	10&11/05-FUEL	11/21/2005	832.00	41063698	141
Schools	JAMES O. HATCHER	523785	8-31/11-29	11/21/2005	3472.56	41063699	141
Schools	JAMES O. HATCHER	524222	10&11/05-FUEL	11/21/2005	928.00	41063699	141
Schools	SMITH BUS LINES	524202	10&11/05-FUEL	11/21/2005	2152.62	41063715	141
Schools	OLLIE H BORING	523795	10-31/11-29	11/21/2005	35802.26	41063707	141
Schools	OLLIE H BORING	524230	10&11/05-FUEL	11/21/2005	9974.00	41063707	141
Schools	SAM H MCCALL	523798	10-31/11-29	11/21/2005	3328.99	41063711	141
Schools	SAM H MCCALL	524216	10&11/05-FUEL	11/21/2005	866.00	41063711	141
Schools	JIMMY RAY HATCHER	523786	8-31/11-29	11/21/2005	6221.23	41063700	141
Schools	JIMMY RAY HATCHER	524221	10&11/05-FUEL	11/21/2005	1450.00	41063700	141
Schools	LLOYD E DAVIS	523791	10-31/11-29	11/21/2005	2437.92	41063704	141
Schools	LLOYD E DAVIS	524224	10&11/05-FUEL	11/21/2005	464.00	41063704	141
Schools	JUNIOR LELAND PICKENS	523788	10-31/11-29	11/21/2005	9377.71	41063702	141
Schools	JUNIOR LELAND PICKENS	524212	10&11/05-FUEL	11/21/2005	2378.00	41063702	141
Schools	FRANKLIN E. MARSHALL	523783	8-31/11-29	11/21/2005	3130.56	41063695	141
Schools	FRANKLIN E. MARSHALL	524217	10&11/05-FUEL	11/21/2005	870.00	41063695	141
Schools	WILBUR CLINTON HUFFMAN	523803	10-31/11-29	11/21/2005	23396.69	41063718	141
Schools	WILBUR CLINTON HUFFMAN	524220	10&11/05-FUEL	11/21/2005	6554.00	41063718	141
Schools	LLOYD E. DAVIS, JR.	523790	10-31/11-29	11/21/2005	5637.74	41063705	141
Schools	LLOYD E. DAVIS, JR.	524225	10&11/05-FUEL	11/21/2005	1276.00	41063705	141
Schools	SHARON S WALKER	523800	10-31/11-29	11/21/2005	3476.88	41063713	141
Schools	SHARON S WALKER	524208	10&11/05-FUEL	11/21/2005	986.00	41063713	141
Schools	LEANN M. LAMBERT	523789	10-31/11-29	11/21/2005	3500.64	41063703	141
Schools	LEANN M. LAMBERT	524218	10&11/05-FUEL	11/21/2005	5817.68	41063703	141
Schools	DEBRA LYNN MISER	523780	10-31/11-29	11/21/2005	3411.07	41063691	141
Schools	DEBRA LYNN MISER	524215	10&11/05-FUEL	11/21/2005	870.00	41063691	141
Schools	RICHARD L BLAIR	523796	10-31/11-29	11/21/2005	19603.15	41063709	141
Schools	RICHARD L BLAIR	524231	10&11/05-FUEL	11/21/2005	5286.00	41063709	141

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Schools	ANNETTE REED	523778	10-31/11-29	11/21/2005	3918.67	41063689	141
Schools	ANNETTE REED	524211	10&11/05-FUEL	11/21/2005	1218.00	41063689	141
Schools	PAUL WILLARD KIRKLAND	523793	10-31/11-29	11/21/2005	3239.14	41063708	141
Schools	PAUL WILLARD KIRKLAND	524219	10&11/05-FUEL	11/21/2005	928.00	41063708	141
Schools	SHARON A TEFFETELLER	524205	10&11/05-FUEL	11/21/2005	916.20	41063712	141
Schools	EQUIPMENT ENTERPRISES, INC	523781	10-31/11-29	11/21/2005	23794.13	41063692	141
Schools	EQUIPMENT ENTERPRISES, INC	524206	10&11/05-FUEL	11/21/2005	5096.00	41063692	141
Schools	MURPHY TRUCKING, INC	523792	10-31/11-29	11/21/2005	3603.31	41063706	141
Schools	MURPHY TRUCKING, INC	524214	10&11/05-FUEL	11/21/2005	928.00	41063706	141
Schools	TIMOTHY D BROWN	523802	10-31/11-29	11/21/2005	3276.58	41063717	141
Schools	TIMOTHY D BROWN	524229	10&11/05-FUEL	11/21/2005	986.00	41063717	141
Schools	RICHARD L PASS	523797	10-31/11-29	11/21/2005	6247.73	41063710	141
Schools	RICHARD L PASS	524213	10&11/05-FUEL	11/21/2005	1484.00	41063710	141
Schools	ISAAC EUGENE MCLEMORE	524203	10-11/05-FUEL	11/21/2005	1013.50	41063697	141
Schools	FINCHUM SERVICES, INC	523799	10-31/11-29	11/21/2005	8456.62	41063693	141
Schools	FINCHUM SERVICES, INC	524223	10&11/05-FUEL	11/21/2005	2030.00	41063693	141
Schools	STAR LIMOUSINE SERVICE	524204	10&11/05-FUEL	11/21/2005	1662.54	41063716	141
Schools	SIMERLY BUSES INC	523801	10-31/11-29	11/21/2005	9862.56	41063714	141
Schools	SIMERLY BUSES INC	524210	10&11/05-FUEL	11/21/2005	2436.00	41063714	141
Schools	WORDE BUS LINES, LLC	523804	10-31/11-29	11/21/2005	9345.93	41063719	141
Schools	WORDE BUS LINES, LLC	524207	10&11/05-FUEL	11/21/2005	2204.00	41063719	141
Schools	CITY OF ALCOA	524250	350366203	11/23/2005	22.28	41063743	141
Schools	CITY OF ALCOA	524250	350366203	11/23/2005	176.66	41063743	141
Schools	FORT LOUDOUN ELECTRIC COOPERATIVE	524249	73120001,73030601,	11/23/2005	1241.61	41063745	141
Schools	ATMOS ENERGY	524251	000102191	11/23/2005	12.60	41063741	141
Schools	SOUTH BLOUNT UTILITY DIST	524602	9188250000,573879100	11/30/2005	2077.78	41062200	141
Schools	CITY OF ALCOA	524569	041001501,	12/1/2005	14670.31	41064038	141
Schools	CITY OF ALCOA	524592	080612001,	12/1/2005	1124.49	41064038	141
Schools	CITY OF ALCOA	524592	080612001,	12/1/2005	760.27	41064038	141
Schools	CITY OF ALCOA	524593	080614501,	12/1/2005	7236.01	41064038	141
Schools	CITY OF ALCOA	524596	070092901,	12/1/2005	32323.57	41064038	141
Schools	AMERICAN SCHOOL BOARD JOURNAL	524627	359I	12/1/2005	57.00	41064022	141
Schools	BLOUNT COUNTY CHAMBER OF COMMERCE	524631	22286	12/1/2005	215.00	41064030	141
Schools	FORT LOUDOUN ELECTRIC COOPERATIVE	524594	90088411,	12/1/2005	23285.90	41064047	141
Schools	CITY OF MARYVILLE	524588	340697	12/1/2005	578.98	41064039	141
Schools	CITY OF MARYVILLE	524589	336994,	12/1/2005	999.51	41064039	141
Schools	CITY OF MARYVILLE	524590	337003	12/1/2005	443.77	41064039	141
Schools	CITY OF MARYVILLE	524626	352250	12/1/2005	49.40	41064039	141
Schools	SEVIER COUNTY ELECTRIC SYSTEM	524567	3016201,	12/1/2005	3349.10	41064076	141
Schools	SOUTH BLOUNT UTILITY DIST	524591	28319	12/1/2005	1073.92	41064077	141

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Schools	BELLSOUTH TELECOMMUNICATIONS INC	524580	865M421955	12/1/2005	8130.49	41064026	141
Schools	BELLSOUTH TELECOMMUNICATIONS INC	524581	865M4509361	12/1/2005	474.47	41064026	141
Schools	BELLSOUTH TELECOMMUNICATIONS INC	524583	8659821268	12/1/2005	45.68	41064026	141
Schools	BELLSOUTH TELECOMMUNICATIONS INC	524584	8659779011	12/1/2005	19.29	41064026	141
Schools	DAVID COOK	524616	11/30/05	12/1/2005	113.62	41064044	141
Schools	TN DEPT OF LABOR AND WORKFORCE	524629	06502226	12/1/2005	3374.80	41064091	141
Schools	ATMOS ENERGY	524568	50135154361910,	12/1/2005	522.97	41064024	141
Schools	UNITED PARCEL SERVICE	524572	4RW236465	12/1/2005	7.25	41064093	141
Schools	UNITED PARCEL SERVICE	524630	4RW236475	12/1/2005	17.34	41064093	141
Schools	WILLIAM BLOUNT HIGH SCHOOL	524586	AWARD	12/1/2005	200.00	41064096	141
Schools	MARSH MEDIA	524598	20364	12/1/2005	4.74	41064065	141
Schools	BLOUNT CO FIRE PROTECTION DISTRICT	524548	SUBSCRIP/RATE	12/1/2005	20122.00	41064029	141
Schools	KEVIN W SHEPHERD	524599	11/17/05	12/1/2005	170.63	41064059	141
Schools	LUCENT TECHNOLOGIES INC.	524582	6159828152	12/1/2005	950.62	41064063	141
Schools	STATE OF TENNESSEE	524236	334835	12/1/2005	120.00	41064079	141
Schools	STATE OF TENNESSEE	524625	335074	12/1/2005	60.00	41064079	141
Schools	TENNESSEE BUREAU OF INVESTIGATION	524624	12 PRINTS	12/1/2005	576.00	41064084	141
Schools	SUSAN LEE	524623	11/30/05	12/1/2005	203.78	41064082	141
Schools	CARPENTERS MIDDLE SCHOOL	524585	AWARD	12/1/2005	150.00	41064035	141
Schools	ISAAC EUGENE MCLEMORE	524587	446876	12/1/2005	225.00	41064055	141
Schools	INSTITUTE OF MANAGEMENT ACCOUNTANTS	524628	T.LOGAN	12/1/2005	80.00	41064054	141
Sheriffs Department	BLOUNT COUNTY HIGHWAY DEPT	523692	15411 OCT.05	11/10/2005	37367.66	1063104	101
Sheriffs Department	MARYVILLE FASTENER	523549	36427	11/10/2005	38.70	1063143	101
Sheriffs Department	BELLSOUTH TELECOMMUNICATIONS INC	523696	M45-9808	11/10/2005	149.60	1063101	101
Sheriffs Department	KELLY HOARD	523719	10/23-29/05	11/10/2005	90.30	1063133	101
Sheriffs Department	MICHELLE STILES	523775	REIMB/CLOTHING	11/10/2005	240.22	1063147	101
Sheriffs Department	CARQUEST AUTO PARTS OF MARYVILLE	523700	A38763	11/10/2005	12.36	1063109	101
Sheriffs Department	MARYVILLE FASTENER	523507	36444	11/14/2005	11.68	1063328	101
Sheriffs Department	WILLIAM J KENNEY PHD	523531	G.BODERCK	11/14/2005	150.00	1063335	101
Sheriffs Department	JAMES LONG	523506	REIMB/DRINKS	11/14/2005	24.96	1063321	101
Sheriffs Department	INTERNATIONAL ASSOCIATION FOR	523505	G.HAMILTON	11/14/2005	60.00	1063320	101
Sheriffs Department	FAIRFIELD INN BY MARRIOTT	523508	80550646,	11/14/2005	404.25	1063314	101
Sheriffs Department	CINDY CAMPBELL	523503	1/8-13/06	11/14/2005	173.60	1063312	101
Sheriffs Department	KIM ROACH	523528	1/8-13/06	11/14/2005	173.60	1063324	101
Sheriffs Department	CITY OF ALCOA	523981	290028002	11/18/2005	13.28	1063459	101
Sheriffs Department	FORT LOUDOUN ELECTRIC COOPERATIVE	523980	71234951	11/18/2005	114.88	1063475	101
Sheriffs Department	SOUTH BLOUNT UTILITY DIST	523984	3628720000,3628750000	11/18/2005	21.92	1063528	101
Sheriffs Department	ARCHIE GARNER	524018	10/31-11/4/05	11/18/2005	153.00	1063441	101
Sheriffs Department	JEFF BURCHFIELD	523991	11/1-5/05	11/18/2005	153.00	1063486	101
Sheriffs Department	HARRY BORDEN, II	524126	11/28-12/2/05	11/18/2005	154.40	1063478	101

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Sheriffs Department	RUSTY AYCOCKE	524127	11/28-12/2/05	11/18/2005	154.40	1063522	101
Sheriffs Department	JEFFERY RAY FRENCH II	523990	10/31-11/4/05	11/18/2005	189.00	1063487	101
Sheriffs Department	HOME BANK	523989	42294100167	11/18/2005	81.50	1063480	101
Sheriffs Department	JAMES D STEGALL	524017	9/25-30/05	11/18/2005	28.60	1063484	101
Sheriffs Department	SEVIERVILLE POLICE DEPARTMENT	524129	11-28/12/2/05	11/18/2005	520.00	1063527	101
Sheriffs Department	DANNY WILBURN	523978	REIMBURSE	11/18/2005	101.03	1063466	101
Sheriffs Department	DANNY WILBURN	524015	11/20-23/05	11/18/2005	103.60	1063466	101
Sheriffs Department	ANDY WATERS	524013	10/31-11/4/05	11/18/2005	63.86	1063439	101
Sheriffs Department	RICK BAKER	523994	11/1-5/05	11/18/2005	153.00	1063521	101
Sheriffs Department	DONALD RAY BENSON	523997	10/31-11/4/05	11/18/2005	163.00	1063471	101
Sheriffs Department	YORK COUNTY SHERIFF'S OFFICE-K-9	523988	12/4-9/05	11/18/2005	500.00	1063549	101
Sheriffs Department	MIKE SERATT	524014	11/20-23/05	11/18/2005	103.60	1063506	101
Sheriffs Department	REBECCA ARNOLD	524016	REIMB/CLOTHING	11/18/2005	283.62	1063520	101
Sheriffs Department	JONI SERATT	524120	REIMBURSE	11/18/2005	300.00	1063489	101
Sheriffs Department	COMFORT INN MTN RIVER SUITES	524130	208865,867	11/18/2005	399.92	1063462	101
Sheriffs Department	NATIONAL NARCOTIC DETECTOR DOG	524128	11/28-12/2/05	11/18/2005	160.00	1063511	101
Sheriffs Department	SEMINOLE CO. SHERIFF'S OFFICE	524089	TRENTHAM	11/18/2005	595.00	1063526	101
Sheriffs Department	HILTON ORLANDO/ALTAMONTA SPRINGS	524125	3219319360	11/18/2005	785.40	1063479	101
Sheriffs Department	ACTION TARGET	524247	11/29-12/2/05	11/23/2005	345.00	1063725	101
Sheriffs Department	FAIRFIELD INN AND SUITES	524248	#82291071	11/23/2005	198.00	1063730	101
Sheriffs Department	SUNTRUST BANK CARD	524182	AMOCO OIL	11/28/2005	56.24	1063765	101
Sheriffs Department	CITY OF ALCOA	524578	050358406	12/1/2005	18.54	1063882	101
Sheriffs Department	MARYVILLE FASTENER	524543	36484	12/1/2005	42.99	1063930	101
Sheriffs Department	MARYVILLE FASTENER	524544	36498,	12/1/2005	42.68	1063930	101
Sheriffs Department	BELLSOUTH TELECOMMUNICATIONS INC	524545	8653700433	12/1/2005	133.34	1063867	101
Sheriffs Department	TN CHAPTER FBI NAA	524619	LONG/DUNN/THOMAS	12/1/2005	195.00	1063970	101
Sheriffs Department	NATIONAL ASSOC. OF CHIEFS OF POLICE	524622	508780	12/1/2005	50.00	1063934	101
Sheriffs Department	RONNIE PAUL REAGAN	524546	11/13-14/05	12/1/2005	70.50	1063951	101
Sheriffs Department	WALTERS STATE	524575	12/5-9/05	12/1/2005	995.00	1063980	101
Sheriffs Department	PATRICK PEARSON	524547	11/13-14/05	12/1/2005	216.30	1063941	101
Sheriffs Department	JAMES TRENTHAM	524563	1/22-28/06	12/1/2005	226.40	1063917	101
Sheriffs Department	NATIONAL ASSOCIATION UNDERWATER	524553	J.BURCHFIELD	12/1/2005	145.00	1063935	101
Sheriffs Department	LAW ENFORCEMENT SERVICES INC	524542	051213,	12/1/2005	400.00	1063926	101
Soil Conservation	BELLSOUTH TELECOMMUNICATIONS INC	524192	8659832119	11/18/2005	138.85	1063445	101
Soil Conservation	NATIONAL ASSOCIATION OF	524194	06 MEMBERSHIP	11/18/2005	200.00	1063510	101
Soil Conservation	SANDRA GREGORY	524030	11/9-10/05	11/18/2005	56.35	1063523	101
Soil Conservation	TENNESSEE CONSERVATION DISTRICT	524193	S.GREGORY/DUES	11/18/2005	25.00	1063537	101
Storm Water	JUSTIN M. TEAGUE	523285	10/18/05	11/4/2005	32.68	1062876	101
Storm Water	SUNTRUST BANK CARD	524186	KROGER	11/28/2005	9.48	1063765	101
Storm Water	SUNTRUST BANK CARD	524188	FORESTER COMMUNICATION	11/28/2005	295.00	1063765	101

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Storm Water	SUNTRUST BANK CARD	524541	WEBCOURSE	11/29/2005	125.00	1063782	101
Tourism	IFEA	523770	71422	11/10/2005	142.00	1063126	101
Tourism	SUNTRUST BANK CARD	524201	COURTYARD	11/28/2005	198.05	1063765	101
Tourism	BLOUNT COUNTY CHAMBER OF COMMERCE	524607	OP.COSTS	12/1/2005	1523.68	1063868	101
Tourism	BLOUNT COUNTY CHAMBER OF COMMERCE	524606	ADM.COSTS	12/1/2005	18805.22	1063869	101
Veterans Services	BLOUNT COUNTY HIGHWAY DEPT	523533	58300	11/14/2005	97.31	1063305	101
Veterans Services	CHATTANOOGA COCA-COLA BOTTLING CO	524565	22R2797715,	12/1/2005	22.20	1063880	101
Vistors Center	TUCKALEECHIE UTILITY	523422	4200300001	11/4/2005	127.49	1062922	101
Vistors Center	HERITAGE PROPANE GAS	523773	602844	11/10/2005	60.00	1063125	101
Vistors Center	BLOUNT COUNTY CHAMBER OF COMMERCE	524607	OP.COSTS	12/1/2005	2144.00	1063868	101
Vistors Center	BLOUNT COUNTY CHAMBER OF COMMERCE	524605	ADM.COSTS	12/1/2005	6268.41	1063869	101
Vistors Center	U S LEC OF TENNESSEE INC	524604	14409166	12/1/2005	863.60	1063975	101

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
53610	EDGAR A WILDER	523283	10/18-21/05	11/4/2005	388.06	1062863	101
55190	BLOUNT MEMORIAL OCCUPATIONAL HEALTH	523969	SEPT.05	11/18/2005	17.25	64063662	264
Accounting & Budgeting	VIRGINIA WHITEHEAD	523462	OCT.05	11/4/2005	60.15	1062926	101
Accounting & Budgeting	SUSAN A. GENNOE	523964	11/10/05	11/18/2005	16.28	1063535	101
Accounting & Budgeting	JULIE TALBOTT	524094	11/15/05	11/18/2005	29.32	1063490	101
Accounting & Budgeting	NATALIE HARRIS	524093	11/15/05	11/18/2005	15.00	1063509	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	SULLIVAN'S,O'CHARLEY'S	11/28/2005	78.91	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	AUBREY'S	11/28/2005	26.82	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	RUSTIC BARN	11/28/2005	28.00	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	FRANKLIN MARRIOTT	11/28/2005	514.08	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	MONTEREY SHELL	11/28/2005	41.00	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	51417	CRACKER BARREL,	11/28/2005	70.07	1063765	101
Accounting & Budgeting	SUNTRUST BANK CARD	52052	NOV	11/28/2005	41.62	1063765	101
Building Commissioner	ROGER FIELDS	523420	OCT.05	11/4/2005	155.38	1062904	101
Central Cafeteria	VICKY MCMURRAY	523399	9/28/05	11/4/2005	33.97	43063057	143
Central Cafeteria	VICKY MCMURRAY	523400	10/28/05	11/4/2005	32.35	43063057	143
Central Cafeteria	JUDY A MCCAULLEY	523712	OCT.05	11/10/2005	41.26	43063254	143
Central Cafeteria	JUDY DIXON	523711	OCT.05	11/10/2005	48.21	43063255	143
Central Cafeteria	NANCY GIBSON	523716	OCT.05	11/10/2005	25.20	43063263	143
Central Cafeteria	TERESA A GENTRY	523715	OCT.05	11/10/2005	102.72	43063267	143
Central Cafeteria	SHIRLEY ROBINSON	523713	OCT.05	11/10/2005	8.00	43063265	143
Central Cafeteria	KENNETH MCKENZIE	523714	OCT.05	11/10/2005	31.75	43063257	143
Central Cafeteria	SHERRY THACKER	524099	10/28/05	11/18/2005	26.88	43063647	143
Central Cafeteria	LOUELLA WEBB	524098	10/28/05	11/18/2005	65.85	43063641	143
Central Cafeteria	KAREN FORD	524603	10/28/05	12/1/2005	40.90	43064107	143
Central Cafeteria	BEVERLY HACKNEY	524608	10/26/05	12/1/2005	14.72	43064105	143
Central Cafeteria	EDWARD NED CONNELL	524609	10/28/05	12/1/2005	27.10	43064106	143
Circuit Court Clerk	PORTIA ABBOTT	523419	OCT.05	11/4/2005	26.37	1062897	101
Circuit Court Clerk	PAT GLASPIE	523300	10/31/05	11/4/2005	15.08	1062893	101
Circuit Court Clerk	SANDRA HODSON	524021	11/9/05	11/18/2005	28.40	1063524	101
Circuit Court Clerk	SUNTRUST BANK CARD	524478	NOV	11/28/2005	24.53	1063765	101
Circuit Court Clerk	SUNTRUST BANK CARD	524479	NOV	11/28/2005	1588.89	1063765	101
Clerk & Master	JAMES A CARROLL	524239	REIMBURSE	12/1/2005	17.48	1063914	101
County Trustee	MARY LINDA EDMONDS	524198	11/15/05	11/18/2005	10.00	1063503	101
County Trustee	ANNETTE STORIE	524197	11/15/05	11/18/2005	38.84	1063440	101
Drug Court	THERESA IRWIN	524143	11/9-10/05	11/18/2005	212.44	28063560	128
Drug Court	SUNTRUST BANK CARD	524190	COMFORT SUITES	11/28/2005	77.72	28063768	128
Drug Enforcement	JONI SERATT	523772	11/2-3/05	11/10/2005	63.00	30063280	307
Drug Enforcement	JERRY ORR	524146	11/7-10/05	11/18/2005	119.00	30063668	307
Drug Enforcement	RONALD G TALBOTT	524145	11/7-10/05	11/18/2005	119.00	30063674	307

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Drug Enforcement	MARTY WIDENER	524148	11/7-10/05	11/18/2005	119.00	30063670	307
Drug Enforcement	MATTHEW MCKINNIS	524149	11/7-10/05	11/18/2005	119.00	30063671	307
Drug Enforcement	JONI SERATT	524147	11/7-10/05	11/18/2005	119.00	30063669	307
Drug Enforcement	SUNTRUST BANK CARD	524180	XPRESS MART	11/28/2005	30.78	30063774	307
Election Commission	SUNTRUST BANK CARD	524185	HILTON NASHVILLE	11/28/2005	258.30	1063765	101
Ext Day Care Program	KATHY SMITH	523517	10/27/05	11/14/2005	77.44	46063381	146
Ext Day Care Program	ALISA MOORE	523518	10/27/05	11/14/2005	23.52	46063378	146
Federal Projects	WILBUR CLINTON HUFFMAN	51564	TRIP-10/20/05	11/4/2005	250.00	42063034	142
Federal Projects	LISA BALDWIN	523756	OCT.05	11/10/2005	11.14	42063244	142
Field Line Inspection	GARY FERGUSON	523287	10/31/05	11/4/2005	527.84	1062866	101
Field Line Inspection	GREGORY A. MOYERS	523288	10/31/05	11/4/2005	455.08	1062867	101
Field Line Inspection	GUY WALKER	523290	10/31/05	11/4/2005	438.50	1062868	101
Field Line Inspection	J MICHAEL DOSSETT	523286	10/31/05	11/4/2005	460.18	1062871	101
Field Line Inspection	BRAD BOWERS	523289	10/26/05	11/4/2005	231.68	1062843	101
Field Line Inspection	GARY FERGUSON	524613	11/30/05	12/1/2005	450.34	1063903	101
Field Line Inspection	ROGER FIELDS	524614	11/29/05	12/1/2005	34.50	1063950	101
Field Line Inspection	GREGORY A. MOYERS	524615	11/30/05	12/1/2005	420.44	1063905	101
Field Line Inspection	GUY WALKER	524611	11/29/05	12/1/2005	346.38	1063906	101
Field Line Inspection	J MICHAEL DOSSETT	524612	11/29/05	12/1/2005	324.76	1063913	101
Field Line Inspection	BRAD BOWERS	524610	11/22/05	12/1/2005	206.08	1063875	101
Human Resources	DON STALLIONS	523425	9/27,28/05	11/4/2005	26.98	1062861	101
Inspection & Regulation	ANITA BOLINGER	523379	10/31/05	11/4/2005	226.74	1062830	101
Inspection & Regulation	GAY MILLER	524144	OCT.05	11/18/2005	14.64	1063477	101
Jail	TRANS COR AMERICA INC	51655	472578	11/10/2005	559.60	1063168	101
Jail	WILLIAM K. MINCEY	523697	11/3-4/05	11/10/2005	88.00	1063174	101
Jail	LISA R. HOARD	523720	10/23-28/05	11/10/2005	178.81	1063139	101
Jail	FAIRFIELD INN BY MARRIOTT	523508	80550646,	11/14/2005	404.25	1063314	101
Jail	CATHY TALBOTT	523992	11/1-5/05	11/18/2005	153.00	1063454	101
Jail	LISA R. HOARD	523993	11/1-5/05	11/18/2005	153.00	1063499	101
Jail	SUNTRUST BANK CARD	524184	SHELL OIL	11/28/2005	19.00	1063765	101
Jail	SUNTRUST BANK CARD	524189	SHELL OIL	11/28/2005	35.65	1063765	101
Juvenile Court	CYNTHIA CLABOUGH-DUNLAP	523375	10/31/05	11/4/2005	67.42	1062854	101
Juvenile Court	AMANDA G. MAY	523373	10/28/05	11/4/2005	55.38	1062826	101
Medical Personnel	CYNTHIA JOHNSON RN	523378	10/14/05	11/4/2005	12.16	1062855	101
Planning	JOHN LAMB	523374	10/27/05	11/4/2005	51.80	1062875	101
Property Assessors	DAVID WEAVER	523297	10/27/05	11/4/2005	24.84	1062857	101
Property Assessors	DANIEL J. PERKINS	523299	10/31/05	11/4/2005	65.84	1062856	101
Property Assessors	PHIL WILLIAMS	523295	10/28/05	11/4/2005	105.96	1062896	101
Property Assessors	TAMYRA A. BROWN	523957	11/9/05	11/18/2005	10.00	1063536	101
Property Assessors	MIKE MORTON	524092	11/15/05	11/18/2005	13.00	1063505	101

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Property Assessors	KIMBERLY FRANTZ	523958	11/9/05	11/18/2005	10.00	1063494	101
Property Tax Reappraisal	LARRY L JONES	523298	10/24/05	11/4/2005	23.70	1062880	101
Property Tax Reappraisal	TIM HELTON	523294	10/11/05	11/4/2005	7.22	1062917	101
Property Tax Reappraisal	BOBBY R. STINNETT	523296	10/4/05	11/4/2005	25.84	1062842	101
Public Library	PATRICIA THOMPSON	523365	10/24-26/05	11/4/2005	224.12	15062943	115
Purchasing	AMANDA VINCENT	523291	10/31/05	11/4/2005	8.56	1062827	101
Purchasing	LAURI BELL	523292	10/20/05	11/4/2005	14.00	1062881	101
Purchasing	SUNTRUST BANK CARD	32842	RIVER TERRACE	11/28/2005	140.00	1063765	101
Records Management	JACKIE GLENN	523967	11/9-10/05	11/18/2005	266.76	1063483	101
Register of Deeds	PENNY WHALEY	524031	11/15/05	11/18/2005	14.00	1063514	101
Register of Deeds	NIHLA MCCALL	524032	11/15/05	11/18/2005	37.60	1063512	101
Schools	LYNDA G LYDA	523308	10/28/05	11/4/2005	214.63	41062995	141
Schools	BETTY WAGNER	523310	10/28/05	11/4/2005	88.24	41062970	141
Schools	DAVID COOK	523311	10/31/05	11/4/2005	117.56	41062976	141
Schools	TAMMY CASH	523312	10/28/05	11/4/2005	19.87	41063014	141
Schools	KAY BEST	523368	10/26/05	11/4/2005	50.60	41062992	141
Schools	THOMAS J JOHNSON	523367	10/28/05	11/4/2005	29.13	41063019	141
Schools	SUSAN LEE	523309	10/28/05	11/4/2005	124.94	41063013	141
Schools	DIANE BAIN	523315	10/28/05	11/4/2005	51.29	41062977	141
Schools	ALISA MOORE	523371	10/21/05	11/4/2005	22.40	41062968	141
Schools	GLENN VITALE	523370	10/31/05	11/4/2005	142.62	41062982	141
Schools	CHRIS HUGHES	523369	10/28/05	11/4/2005	84.94	41062972	141
Schools	CYNTHIA SUE WEIMER	523313	10/27/05	11/4/2005	36.94	41062975	141
Schools	KEITH A. EARLEY	523705	OCT.05	11/10/2005	125.88	41063217	141
Schools	MARY JANE JONES	523708	OCT.05	11/10/2005	112.58	41063221	141
Schools	FRANCINE L REYNOLDS	523544	OCT.05	11/10/2005	42.58	41063210	141
Schools	NANCY R SYLVIA	523543	OCT.05	11/10/2005	136.02	41063225	141
Schools	CATHY WILKERSON	523541	OCT.05	11/10/2005	5.52	41063207	141
Schools	BRIAN DILLARD	523718	OCT.05	11/10/2005	75.88	41063206	141
Schools	LEWIS EDGE	523540	OCT.05	11/10/2005	110.28	41063219	141
Schools	KEN WAHLERS	523514	10/31/05	11/14/2005	43.84	41063366	141
Schools	JUDITH RICE	523582	10/28/05	11/14/2005	97.92	41063364	141
Schools	KAREN MOFFATT	523516	10/27/05	11/14/2005	23.98	41063365	141
Schools	GARY IRWIN	523515	10/28/05	11/14/2005	45.36	41063363	141
Schools	KEN WAHLERS	523955	11/6-8/05	11/18/2005	159.81	41063593	141
Schools	MILDRED G DANIELS	523961	10/26/05	11/18/2005	23.11	41063601	141
Schools	ROBIN CELESTE COOK	523963	10/28/05	11/18/2005	44.69	41063608	141
Schools	ROBIN CELESTE COOK	524176	11/2-4/05	11/18/2005	312.36	41063608	141
Schools	ANGELA KAYE CUNNINGHAM	523962	10/27/05	11/18/2005	5.06	41063580	141
Schools	LEWIS EDGE	523959	11/10/05	11/18/2005	68.54	41063596	141

CC/Fund Name	Vendor	VCHR_NO	INVOICE_NO	Date Paid	ACCT_AMT	Check #	FUN
Schools	SUNTRUST BANK CARD	51893	NOV	11/28/2005	223.00	41063771	141
Schools	DAVID COOK	524616	11/30/05	12/1/2005	113.62	41064044	141
Schools	SUSAN LEE	524623	11/30/05	12/1/2005	203.78	41064082	141
Sheriffs Department	B & C TRANSPORTATION, INC.	50831	2201	11/10/2005	400.00	1063100	101
Sheriffs Department	KELLY HOARD	523719	10/23-29/05	11/10/2005	90.30	1063133	101
Sheriffs Department	FAIRFIELD INN BY MARRIOTT	523508	80550646,	11/14/2005	404.25	1063314	101
Sheriffs Department	CINDY CAMPBELL	523503	1/8-13/06	11/14/2005	173.60	1063312	101
Sheriffs Department	KIM ROACH	523528	1/8-13/06	11/14/2005	173.60	1063324	101
Sheriffs Department	ARCHIE GARNER	524018	10/31-11/4/05	11/18/2005	153.00	1063441	101
Sheriffs Department	JEFF BURCHFIELD	523991	11/1-5/05	11/18/2005	153.00	1063486	101
Sheriffs Department	HARRY BORDEN, II	524126	11/28-12/2/05	11/18/2005	154.40	1063478	101
Sheriffs Department	RUSTY AYCOCKE	524127	11/28-12/2/05	11/18/2005	154.40	1063522	101
Sheriffs Department	JEFFERY RAY FRENCH II	523990	10/31-11/4/05	11/18/2005	189.00	1063487	101
Sheriffs Department	HOME BANK	523989	42294100167	11/18/2005	81.50	1063480	101
Sheriffs Department	JAMES D STEGALL	524017	9/25-30/05	11/18/2005	28.60	1063484	101
Sheriffs Department	DANNY WILBURN	524015	11/20-23/05	11/18/2005	103.60	1063466	101
Sheriffs Department	ANDY WATERS	524013	10/31-11/4/05	11/18/2005	63.86	1063439	101
Sheriffs Department	RICK BAKER	523994	11/1-5/05	11/18/2005	153.00	1063521	101
Sheriffs Department	DONALD RAY BENSON	523997	10/31-11/4/05	11/18/2005	163.00	1063471	101
Sheriffs Department	MIKE SERATT	524014	11/20-23/05	11/18/2005	103.60	1063506	101
Sheriffs Department	COMFORT INN MTN RIVER SUITES	524130	208865,867	11/18/2005	399.92	1063462	101
Sheriffs Department	HILTON ORLANDO/ALTAMONTA SPRINGS	524125	3219319360	11/18/2005	785.40	1063479	101
Sheriffs Department	FAIRFIELD INN AND SUITES	524248	#82291071	11/23/2005	198.00	1063730	101
Sheriffs Department	RONNIE PAUL REAGAN	524546	11/13-14/05	12/1/2005	70.50	1063951	101
Sheriffs Department	PATRICK PEARSON	524547	11/13-14/05	12/1/2005	216.30	1063941	101
Sheriffs Department	JAMES TRENTHAM	524563	1/22-28/06	12/1/2005	226.40	1063917	101
Soil Conservation	SANDRA GREGORY	524030	11/9-10/05	11/18/2005	56.35	1063523	101
Storm Water	JUSTIN M. TEAGUE	523285	10/18/05	11/4/2005	32.68	1062876	101
Tourism	SUNTRUST BANK CARD	524201	COURTYARD	11/28/2005	198.05	1063765	101



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December 12, 2005

Blount County Government
 c/o Beverley D. Woodruff
 Blount County Mayor
 341 Court Street
 Maryville TN 37804-5906

	Fees/ Costs	Service Tax/ Sales Tax/ Interest	Payments/ Credits/ Refunds	Prev. Bal/ New Chgs/ Pm/Cr/Ref/ New Bal
REFERENCE: Alcoa v. LGPAC				
	\$1,170.00	\$0.00	\$0.00	\$0.00
	\$35.85	\$0.00	\$0.00	\$1,205.85
		\$0.00	\$0.00	\$0.00
				\$1,205.85
REFERENCE: Blount County Mayor				
	\$13.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$13.00
		\$0.00	\$0.00	\$0.00
				\$13.00
REFERENCE: Building Commissioner				
	\$78.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$78.00
		\$0.00	\$0.00	\$0.00
				\$78.00
REFERENCE: County Commission				
	\$715.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$715.00
		\$0.00	\$0.00	\$0.00
				\$715.00
REFERENCE: County Clerk				
	\$91.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$91.00
		\$0.00	\$0.00	\$0.00
				\$91.00

	Fees/ Costs	Service Tax/ Sales Tax/ Interest	Payments/ Credits/ Refunds	Prev. Bal/ New Chgs/ Pm/Cr/Ref/ New Bal
REFERENCE: Finance Director				
	\$1,027.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$1,027.00
		\$0.00	\$0.00	\$0.00
				\$1,027.00
REFERENCE: French v. Blount #1				
	\$247.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$247.00
		\$0.00	\$0.00	\$0.00
				\$247.00
REFERENCE: French v. Blount #2				
	\$247.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$247.00
		\$0.00	\$0.00	\$0.00
				\$247.00
REFERENCE: Human Resources				
	\$689.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$689.00
		\$0.00	\$0.00	\$0.00
				\$689.00
REFERENCE: Naterra v. Blount #2				
	\$39.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$39.00
		\$0.00	\$0.00	\$0.00
				\$39.00
REFERENCE: Public Building Authority				
	\$754.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$754.00
		\$0.00	\$0.00	\$0.00
				\$754.00
REFERENCE: Planning Department				
	\$741.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$741.00
		\$0.00	\$0.00	\$0.00
				\$741.00

	Fees/ Costs	Service Tax/ Sales Tax/ Interest	Payments/ Credits/ Refunds	Prev. Bal/ New Chgs/ Pm/Cr/Ref/ New Bal
REFERENCE: Property Assessor				
	\$195.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$195.00
		\$0.00	\$0.00	\$0.00
				\$195.00
REFERENCE: Purchasing Department				
	\$494.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$494.00
		\$0.00	\$0.00	\$0.00
				\$494.00
REFERENCE: Sheriff's Department				
	\$26.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$26.00
		\$0.00	\$0.00	\$0.00
				\$26.00
GRAND TOTAL	\$6,526.00	\$0.00	\$0.00	\$0.00
	\$35.85	\$0.00	\$0.00	\$6,561.85
		\$0.00	\$0.00	\$0.00
				<u>\$6,561.85</u>