

**LOUDON COUNTY COMMISSION
REGULAR MEETING**

February 04, 2002

- (1) Public Hearing
Exhibits A - B
- (2) Opening Of Meeting
- (3) Roll Call
- (4) Motion Passed To Adopt Agenda
- (5) Minutes Adopted For January 07, 2002
- (6) Audience Comments On Agenda Items
- (7) Audience Comments on Non-Agenda Items
- (8) Motion Passed To Adopt Resolutions- Board Appointments For Commissioner Randolph
Resolutions 020402-C - I; Exhibits C - I
- (9) Motion Passed To Adopt Resolution - Beer Board Appointments
Resolution 020402-J; Exhibit J
- (10) Motion Passed To Adopt Resolution - Regional Planning Commission Appointments
Resolution 020402-K; Exhibit K
- (11) ACA Appointments Rolled
- (12) Update On Grant Funds For Health Department
- (13) Update On Hospital Committee
- (14) Motion Passed To Have Demolition Landfill Lawsuit Evaluated
- (15) Motion Passed To Sale Excess Vehicles At Sheriff's Dept.
- (16) Motion Passed To Sale Excess Property On Rock Quarry Road
- (17) Motion Passed To Lease Copy Machine For Juvenile Dept.
- (18) Motion Passed To Adopt Resolution - Swap Agreement
Resolution 020402-L; Exhibit L
- (19) Motion Passed To Adopt Resolution - Issuance Of Rural School Refunding Bonds
Resolution 020402-M; Exhibit M
- (20) Motion Passed To Adopt Resolution - Issuance Of General Obligation Refunding Bonds
Resolution 020402-N; Exhibit N
- (21) Motion Passed To Adopt Resolution - Recognize Rachel L. Perry
Resolution 020402-O; Exhibit O
- (22) Motion Passed To Adopt Resolution - Recognize Melinda K. Day
Resolution 020402-P; Exhibit P
- (23) Report On Increasing Cable TV Rates
- (24) Report On Highland Park School Speed Zone
- (25) Report On 475 Beltway
- (26) Motion Passed To Request Denial of Trigen's Title V Permit
- (27) Motion Passed To Adopt Resolution - Rezone Property At Highway 11 East
Resolution 020402-Q; Exhibit Q
- (28) Motion Passed To Deny Resolution - Rezone Property At Highway 70 West
- (29) Item Rolled To March Meeting - Bell South Easement At Justice Center
- (30) Motion Passed To Sale 2.7 Acres In Sugarlimb Industrial Park
Exhibit R
- (31) Motion Passed To Confirm Sale Of 2.94 Acres In Blairbend Industrial Park
Exhibit S
- (32) School Board Reapportionment
- (33) Motion Passed To Settle Lawsuit With Crown Communications
- (34) Building Commission Report
- (35) Notaries Approved
- (36) Adjournment

LOUDON COUNTY COMMISSION

STATE OF TENNESSEE
COUNTY OF LOUDON

PUBLIC HEARING
February 04, 2002
6:00 PM

(1) Public Hearing

- 1) Rezoning request for property located at Highway 11 East, referenced by Tax Map 12, Parcel 99.00, located in the Second Legislative District, from R-1, Suburban Residential District, to C-2, General Commercial District – Bobby Hatcher [01-12-221-RZ-CO(LEPR)].
No one came forward to speak.
- 2) Rezoning request for property located at Highway 70 East, located in the Fifth Legislative District, referenced by Tax Map 8, Parcel 54.01 and 54.02, from R-1, Suburban Residential District to C-2, General Commercial District – James R. White [01-12-217-RZ-CO].
Mr. David Aker, Loudon County/Avalon Golf Community resident, came forward to speak in opposition of rezoning request, submitting a petition to be included as part of the minutes.
Exhibit A
Mr. Scott Creel, employee of Avalon the Medalist Golf Course, came forward to speak in opposition of rezoning request.
Dr. Hahn, Loudon County resident, came forward to speak in opposition of rezoning request.
Mr. Don Morris, Loudon County resident, came forward to speak in opposition of rezoning request.
Attorney David Brooke, representing Mr. James R. White, came forward to speak in favor of rezoning request, submitting pictures to be included as part of the minutes.
Exhibit B

REGULAR MEETING

(2) Opening Of Meeting

BE IT REMEMBERED that the Board of Commissioners of Loudon County convened in regular session in Loudon, Tennessee on the 4th day of February, 2002.

The **Honorable Roy Bledsoe** called the meeting to order.

Sheriff Tim Guider opened Court and led the Pledge of Allegiance to the Flag of the United States of America and Ed Headlee gave the invocation.

(3) Roll Call

Present were the following Commissioners: **Randolph, Thomas, Jenkins, Maples, Bledsoe, Masingo, Duff, Park and Harold.** (9)

Thereupon **Chairman Bledsoe** announced the presence of a quorum. Also present was the **Honorable George Miller, County Executive and County Attorney Harvey Sproul.**

(4) Motion Passed To Adopt Agenda

Chairman Bledsoe requested the February 04, 2002 agenda be adopted.

A motion was made by **Commissioner Park** with a second by **Commissioner Harold** to adopt the agenda.

Upon voice vote the motion **Passed** unanimously.

- (5)
Minutes
Adopted For
January 07,
2002
- (6)
Audience
Comments On
Agenda Items
- (7)
Audience
Comments on
Non-Agenda
Items
- (8)
Motion Passed
To Adopt
Resolutions-
Board
Appointments
For Commis-
sioner
Randolph
- (9)
Motion Passed
To Adopt
Resolution -
Beer Board
Appointments
- (10)
Motion Passed
To Adopt
Resolution -
Regional
Planning
Commission
Appointments
- (11)
Animal
Control
Authority
Appointments
Rolled
- (12)
Update On
Grant Funds
For Health
Department

Chairman Bledsoe requested the January 07, 2002 County Commission Meeting minutes be approved and accepted.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Thomas** to approve minutes as written.

Upon voice vote the motion **Passed** unanimously.

Chairman Bledsoe asked for any visitor wishing to address the commission regarding items on the planned agenda to come forward.

Mr. Paul Baird, Loudon County resident, came forward to speak asking clarification on resolutions regarding refunding bonds.

Ms. Pat Hunter, Loudon County resident, came forward to speak asking total debt of county, information about R&S Development, and requesting more information on the rail spur.

Chairman Bledsoe asked for any visitor wishing to address the commission regarding items not on the agenda.

Commissioner Harold announced that "Proud Notes", a newsletter from Keep Loudon County Beautiful, is now in circulation.

Chairman Bledsoe requested **County Executive George Miller** to continue with the agenda items.

Executive Miller requested discussion and possible action on following items:

- 1) Consideration of adopting Resolutions approving or acknowledging board or Committee appointments and reappointments by County Executive appointing **Commissioner Randolph** to following boards: Blair Bend Industrial Committee, Executive Planning Committee, Agricultural Extension Committee, Litter Control Committee, Maintenance Committee, Purchasing Committee, Recycling Committee.

A **motion** was made by **Commissioner Thomas** with a second by **Commissioner Maples** to adopt these resolutions.

Upon voice vote the motion **Passed** unanimously.

Resolutions 020402-C - I, Exhibits C - I

- 2) Consideration of adopting a Resolution approving or acknowledging board or committee appointments and reappointments by County Executive reappointing **Nat Campbell** and **Jeff Laughlin** and appointing **Jim Brooks** to the Loudon County Beer Board.

A **motion** was made by **Commissioner Masingo** with a second by **Commissioner Jenkins** to adopt this resolution.

Upon voice vote the motion **Passed** unanimously.

Resolutions 020402-J, Exhibit J

- 3) Consideration of adopting a Resolution approving or acknowledging board or committee appointments and reappointments by County Executive reappointing **Roy Brooks** and **Martin Brown** and appointing **Leo Bradshaw** and **Pam McNew** to the Loudon County Regional Planning Commission.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Duff** to adopt this resolution.

Upon voice vote the motion **Passed** unanimously.

Resolutions 020402-K, Exhibit K

- 4) With no objections, **Executive Miller** requested that the Resolution approving or acknowledging board or committee appointments and reappointments by County Executive for the Loudon County Animal Control Authority be rolled until March's meeting.

- 5) **Executive Miller** reported that the Health Department is requesting that grant monies provided to Loudon County for dental services be used now, as funds could be used by other counties who are applying for grants.

(13)
**Update On
Hospital
Committee**

- 6) Executive Miller requested Attorney Harvey Sproul report on Hospital Committee negotiations with Covenant Health. Attorney Sproul noted that negotiations are in progress, and will be reported on as they develop.

(14)
**Motion Passed
To Have
Demolition
Landfill
Lawsuit
Evaluated**

- 7) Executive Miller requested discussion and possible action on recommendation from Demolition Landfill Lawsuit Committee to hire an outside attorney to evaluate and determine, in his/her view, the chances of winning the lawsuit filed by Tennessee Waste Movers, Inc., with assistance from the City of Loudon in funding the evaluation.

A **motion** was made by **Commissioner Jenkins** with a second by **Commissioner Thomas** to accept this recommendation.

Commissioner Maples modified the motion to request Mr. John Thorton's financial assistance in this evaluation.

With no objections to modification, upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (8).**

The following commissioners voted **Nay: Park : (1).**

Thereupon the chairman announced the motion **Passed: (8-1).**

Commission member(s) not present: **(0).**

Mr. Howard Luttrell, Loudon County Purchasing Agent, requested discussion and possible action on following items:

- 1) Consideration of selling excess vehicles from the Sheriff's Department.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Maples** to sale excess vehicles.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

(15)
**Motion Passed
To Sale Excess
Vehicles At
Sheriff's Dept.**

- 2) Consideration of selling excess property on Rock Quarry Road, Loudon by sealed bid.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Harold** to sale excess property.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

(16)
**Motion Passed
To Sale Excess
Property On
Rock Quarry
Road**

- 3) Consideration of leasing copy machine for Juvenile Department at \$183.00 per month for sixty (60) months.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

(17)
**Motion Passed
To Lease Copy
Machine For
Juvenile Dept.**

Mrs. Nancy Richesin, Budget and Finance Director, requested discussion and possible action on the following items:

- 1) Consideration of adopting a Resolution authorizing and approving a swap agreement in connection with an outstanding loan agreement entered into by Loudon County, Tennessee and approving the execution and delivery of the various other documents relating to the foregoing.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Jenkins** to adopt this resolution.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

Resolution 020402-L, Exhibit L

(18)
**Motion Passed
To Adopt
Resolution -
Swap
Agreement**

(19)
**Motion Passed
To Adopt
Resolution –
Issuance Of
Rural School
Refunding
Bonds**

- 2) Consideration of approving a Resolution authorizing the issuance of rural school refunding bonds, Series 2002, in the aggregate principal amount of not to exceed eight hundred, fifty thousand dollars (\$850,000) of Loudon County, Tennessee; making provision for the issuance, sale and payment of said bonds; establishing the terms thereof and the disposition of proceeds therefrom; and providing for the levy of taxes for the payment of principal of, premium, if any, and interest on the bonds.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Masingo** to adopt this resolution.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

Resolution 020402-M, Exhibit M

(20)
**Motion Passed
To Adopt
Resolution –
Issuance Of
General
Obligation
Refunding
Bonds**

- 3) Consideration of adopting a Resolution authorizing the issuance of general obligation refunding bonds, series 2002, in the aggregate principal amount of not to exceed two million, two hundred thousand dollars (\$2,200,000) of Loudon County, Tennessee; making provision for the issuance, sale and payment of said bonds; establishing the term thereof and the disposition of proceeds therefrom; and providing for the levy of taxes from the payment of principal of, premium, if any, and interest on the bonds.

A **motion** was made by **Commissioner Park** with a second by **Commissioner Thomas** to adopt this resolution.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: (0).**

Thereupon the chairman announced the motion **Passed: (9-0).**

Commission member(s) not present: **(0).**

Resolution 020402-N, Exhibit N

Chairman Bledsoe called for a five minute recess.

(21)
**Motion Passed
To Adopt
Resolution –
Recognize
Rachel L.
Perry**

Executive Miller requested consideration of adopting a Resolution to honor and recognize Rachel L. Perry for participating in the group study exchange program of the Rotary Foundation of Rotary International.

A **motion** was made by **Commissioner Thomas** with a second by **Commissioner Randolph** to adopt this resolution.

Upon voice vote the motion **Passed** unanimously.

Resolution 020402-O, Exhibit O

(22)
**Motion Passed
To Adopt
Resolution –
Recognize
Melinda K.
Day**

Commissioners Jenkins and Maples requested consideration of adopting a Resolution to honor and recognize Melinda K. Day as 2002 Tennessee Teacher of the Year.

A **motion** was made by **Commissioner Maples** with a second by **Commissioner Jenkins** to adopt this resolution.

Upon voice vote the motion **Passed** unanimously.

Resolution 020402-P, Exhibit P

(23)
**Report On
Increasing
Cable TV
Rates**

Commissioner Maples stated that she has received several complaints from concerned citizens regarding the increasing price of cable television. All concerns can be addressed to the Cable TV Authority which meets the third Thursday of every month at the Lenoir City Vocational Center at 7:00 p.m.

(21)
**Report On
Highland Park
School Speed
Zone**

Commissioner Maples stated that Highland Park School has recently undergone changes in speed limit and length of speed zone. Due to safety concerns, the Loudon County School Board has reviewed this matter and will be voting to change the limit and length to original regulations.

(22)
**Report On 475
Beltway**

Commissioner Duff urged participation at the February 20, 2002 Public Hearing that will be discussing the 475 Beltway, informing that the meeting will be from 4:00 pm – 8:00 pm at North Middle School.

(23)
**Motion Passed
To Request
Denial of
Trigen's Title
V Permit**

A **motion** was made by **Commissioner Park** with a second by **Commissioner Duff** to authorize the County Executive request by letter that TDEC deny Title V Permit submitted by Trigen Bio-Power until current air pollution problems are corrected.

Upon voice vote the motion **Passed** unanimously.

Mr. Russ Newman, Office of Planning and Community Development, requested discussion and possible action on the following items:

(24)
**Motion Passed
To Adopt
Resolution –
Rezone
Property At
Highway 11
East**

- 1) Rezoning request for property located at Highway 11 East, referenced by Tax Map 12, Parcel 99.00, located in the Second Legislative District, from R-1, Suburban Residential District, to C-2, General Commercial District – Bobby Hatcher [01-12-221-RZ-CO(LEPR)].

A **motion** was made by **Commissioner Duff** with a second by **Commissioner Park** to approve this request.

Upon voice vote the motion **Passed** unanimously.

Resolution 020402-Q, Exhibit Q

(25)
**Motion Passed
To Deny
Resolution –
Rezone
Property At
Highway 70
West**

- 2) Rezoning request for property located at Highway 70 West, located in the Fifth Legislative District, referenced by Tax Map 8, Parcels 54.01 ad 54.02, from R-1, Suburban Residential District, to C-2, General Commercial District – James R. White [01-12-217-RZ-CO].

A **motion** was made by **Commissioner Duff** with a second by **Commissioner Park** to deny this request.

Upon voice vote the motion **Passed: (8-1)**.

(26)
**Item Rolled To
March
Meeting – Bell
South
Easement At
Justice Center**

- 3) Consideration of adopting a Resolution authorizing the lease of approximately 1600 square feet of county owned property for an easement to install Bell South telephone switching equipment, referenced by Tax map 29, Parcel 77.00, at the Loudon County Justice Center, Sugarlimb Road, pursuant to Tennessee Code Annotated, Section 5-7-101.

A **motion** was made by **Commissioner Park** to roll item until March meeting, in regards to possible conflict with construction and renovation of Justice Center. There were no objections.

Mr. Pat Phillips, Loudon County Economic Development Agency, requested discussion and possible action on following items:

(27)
**Motion Passed
To Sale 2.7
Acres In
Sugarlimb
Industrial
Park**

- 1) Sale of 2.7 acres in Sugarlimb Industrial Park.

A **motion** was made by **Commissioner Thomas** with a second by **Commissioner Randolph** to sell the 2.7 acres in Sugarlimb Industrial Park.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9)**.

The following commissioners voted **Nay: (0)**.

Thereupon the chairman announced the motion **Passed: (9-0)**.

Commission member(s) not present: **(0)**.

Exhibit R

(28)
**Motion Passed
To Confirm
Sale Of 2.94
Acres In
Blairbend
Industrial
Park**

- 2) Confirm sale of 2.94 acres in Blairbend Industrial Park to R & S Development at \$17,000/acre.

A **motion** was made by **Commissioner Jenkins** with a second by **Commissioner Harold** to accept this recommendation.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Park, Duff, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9)**.

The following commissioners voted **Nay: (0)**.

Thereupon the chairman announced the motion **Passed: (9-0)**.

Commission member(s) not present: **(0)**.

Exhibit S

(29)
School Board
Reapportionment

Loudon County Attorney Harvey Sproul requested discussion and possible action of following items:

1) Attorney Sproul updated that Attorney Chuck Cagle is assisting Loudon County School Board in the reapportionment process.

(30)
Motion Passed
To Settle
Lawsuit With
Crown Communications

2) Attorney Sproul requested consideration of approving signing of settling agreement in lawsuit of Crown Communications vs. Loudon County Commission and Loudon County Board of Zoning Appeals.

A **motion** was made by **Commissioner Harold** with a second by **Commissioner Jenkins** to approve signing of the settlement agreement.

Upon roll call vote the following commissioners voted **Aye: Randolph, Maples, Thomas, Masingo, Bledsoe, Jenkins, and Harold: (9).**

The following commissioners voted **Nay: Park, Duff: (2).**

Thereupon the chairman announced the motion **Passed: (7-2).**

Commission member(s) not present: **(0).**

(31)
Building
Commission
Report

Loudon County Building Commissioner, Chris West, gave Building Commissioner's Report.

The totals for **January 2002:**

Permits issued: 34

Est. Value: \$2,836,100

Amount collected: \$3,795

Est. New Taxes: \$12,762

Permits issued in the month of January 2001 were 20.

(32)
Notaries
Approved

Commissioner Masingo requested consideration of approving the following Notary applications:

Janie Watson

Laura Anne Cathey

Whitney L. Cardin

Polly A. Harris

Tammy Watkins

Margaret V. Fraser

A **motion** was made by **Commissioner Masingo** with a second by **Commissioner Duff** to approve these notary applications.

Upon voice vote the motion **Passed** unanimously.

(33)
Adjournment

There being no further business, a **motion** being duly made and seconded, the February 04, 2002 meeting stood adjourned at 8:29 p.m.

ATTEST:


CHAIRMAN

COUNTY COURT CLERK


COUNTY EXECUTIVE

1530

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-C

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
BLAIR BEND INDUSTRIAL COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

August 31, 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves or acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board or committee are as follows:

Appointee

Term Expiration

**Commissioner Earlena Maples
Commissioner Jim Thomas**

**August 31, 2002
August 31, 2002**

City of Loudon

**Mayor Bernie Swiney
Ben Surrett
Nancy James**

Exhibit C

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402- D

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
EXECUTIVE PLANNING COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

August 31, 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves or acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

Exhibit D

1532

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-E

RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as members of the

LOUDON COUNTY AGRICULTURE EXTENSION COMMITTEE

Appointee

Term Expiration

Commissioner Lynda Randolph

September 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves and acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board are as follows:

Appointee

Term Expiration

Karen Hewett
Commissioner Ed Harold
Sue Bright
Robert Anderson
Commissioner Roy Bledsoe
W.M. Breazeale

September 2002
September 2002
September 2002
September 2002
September 2003
September 2003

Exhibit E

1533

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-F

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
LITTER CONTROL COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

August 31, 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves or acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board are as follows:

Appointee

Term Expiration

**Commissioner Ed Harold
Commissioner Jerry Park
Sheriff Tim Guider
Don Palmer
Becky Cash**

**August 31, 2002
August 31, 2002
August 31, 2002
August 31, 2002
August 31, 2002**

Exhibit F

1534

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-G

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
MAINTENANCE COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

August 31, 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves or acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board or committee are as follows:

Appointee

Term Expiration

**Howard Luttrell, Purchasing Agent
Glenn Presley, Maintenance Supervisor
George Miller, County Executive
Edward Headlee, School Superintendent
3 members appointed by School Board
Commissioner Roy Bledsoe
Commissioner Jim Thomas**

**August 31, 2002
August 31, 2002**

Exhibit G

1535

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-H

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
PURCHASING COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

August 31, 2002

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves or acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board are as follows:

Appointee

Term Expiration

**Commissioner Ed Harold
Commissioner Earlena Maples
Commissioner Jerry Park
Commissioner Jim Thomas**

**August 31, 2002
August 31, 2002
August 31, 2002
August 31, 2002**

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-I

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
RECYCLING COMMITTEE**

Appointee

Term Expiration

Commissioner Lynda Randolph

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves and acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

**LOUDON COUNTY COMMISSION
RESOLUTION NO. 020402-J**

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is necessary and/or desirable at this time; and

WHEREAS, the County Executive appoints the following as a member of

**LOUDON COUNTY
BEER BOARD**

Appointee

Term Expiration

Panel A

August 31, 2004

First District – Nat Campbell

Second District – Jeff Laughlin

Panel B

August 31, 2002

Third District – Jim Brooks

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves and acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board or committee are as follows:

Appointee

Term Expiration

Panel B

August 31, 2002

Fourth District – Bob Snodgrass

Panel C

August 31, 2003

Fifth District - Dana Zehner

Sixth District – David Sponsel

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402 - K

**RESOLUTION APPROVING OR ACKNOWLEDGING BOARD OR
COMMITTEE APPOINTMENT BY COUNTY EXECUTIVE**

WHEREAS, by statute, and/or intergovernmental agreement and/or County Procedural Regulations, the County Executive has authority to make certain committee and board appointments; and

WHEREAS, an appointment (or appointments) is (or are) necessary and desirable at this time; and

WHEREAS, the County Executive appoints the following as members of

**LOUDON COUNTY
REGIONAL PLANNING COMMISSION**

<u>Appointee</u>	<u>Term Expiration</u>
Leo Bradshaw (1 st District – Slot B)	June 15, 2002
Pam McNew (1 st District – Slot A)	June 15, 2004
Roy Brooks (3 rd District)	June 15, 2005
Martin Brown (5 th District – Slot B)	June 15, 2005

NOW, THEREFORE, BE IT RESOLVED that the County Commission in regular session assembled this 4th day of February, 2002 hereby approves and acknowledges (as appropriate), the said appointment(s).


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

The remaining members and their continuing expiration terms for said board or committee are as follows:

<u>Appointee</u>	<u>Term Expiration</u>
J. C. Ingram (2 nd District – Slot A)	June 15, 2002
Kenda Yates (2 nd District – Slot B)	June 15, 2003
Charles Harrison (4 th District)	June 15, 2002
Wayne Gardin (6 th District)	June 15, 2003
Henry Mitchell (LRPC)	Co-term
Eddie Simpson (5 th District – Slot A)	June 15, 2004

Exhibit K

Resolution 020402-L

A RESOLUTION AUTHORIZING AND APPROVING A SWAP AGREEMENT IN CONNECTION WITH AN OUTSTANDING LOAN AGREEMENT ENTERED INTO BY LOUDON COUNTY, TENNESSEE AND APPROVING THE EXECUTION AND DELIVERY OF THE VARIOUS OTHER DOCUMENTS RELATING TO THE FOREGOING.

WHEREAS, Loudon County, Tennessee (the "County") and The Public Building Authority of Sevier County, Tennessee (the "Sevier County Authority") have heretofore executed and delivered a Series IV-H-1 Loan Agreement (the "Loan Agreement"), dated as of October 1, 2001 in the amount of \$12,500,000, authorized by a resolution adopted by the Board of County Commissioners on October 1, 2001 (the "Resolution"), which was funded from proceeds derived from the issuance of a like amount of Local Government Public Improvement Bonds, Series IV-H-1 (the "Bonds"), issued by the Sevier County Authority; and

WHEREAS, the Bonds bear interest at a variable rate; and

WHEREAS, in order to reduce its exposure to changes in interest rates, the County has requested that the Sevier County Authority enter into a Swap Agreement (as defined in the Resolution) with respect to the Bonds resulting in payment by the Authority of a fixed rate of interest to a Swap Counterparty (as defined in the Loan Agreement) and a variable rate of interest to be paid by the Swap Counterparty; and

WHEREAS, since the adoption of the Resolution, the Funding Board of the State (the "Funding Board") has issued guidelines (the "Guidelines") relating to interest rate swap agreements; and

WHEREAS, the County and the Sevier County Authority have submitted a request for a report of compliance to the State Director of Local Finance as required by the Guidelines and by Tennessee Code Annotated, Section 12-10-111; and

WHEREAS, the State Director has issued his report of compliance with respect to the proposed Swap Agreement in connection with the Bonds; and

WHEREAS, for the purposes of authorizing a Swap Agreement in connection with the Bonds and the execution of such documents and certificates as shall be necessary to consummate the delivery of a Swap Agreement and approving the terms and conditions of the Swap Agreement, the Board of County Commissioners adopts this Resolution.

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

Section 1. Approval of Swap Agreement. It is hereby determined to be in the best interest of the County to reduce its exposure to changes in interest rates by directing the Sevier County Authority to enter into a Swap Agreement with respect to all or a portion of the Bonds. The Swap Agreement shall provide for payment of a fixed rate of interest on the Bonds from payments made under the Loan Agreement and for payment of a variable rate of interest to be made by the Swap Counterparty (as defined in the Resolution and the Loan Agreement).

The provisions relating to the Swap Agreement in the Resolution previously adopted are hereby ratified and affirmed with respect to the Bonds and the related Loan Agreement, provided, however, the Swap Agreement shall provide for payment of a fixed rate not to exceed five and one-half percent (5.50%) and provided further (to the extent not otherwise provided in the Resolution)

that the variable rate to be paid by the Counterparty may be established based upon LIBOR or a percentage thereof in addition to the other methods for determining the variable rate set forth in the Resolution as shall be approved by the Chairman or Vice-Chairman of the Sevier County Authority with respect to the Bonds as confirmed by the County Executive and County Clerk.

Payments to be made under the Swap Agreement shall be made from sources identified in the Resolution and in the Loan Agreement. Cumberland Securities, Division of Morgan Keegan & Company, Inc. ("Cumberland") and TN-LOANS Program Administrators, Inc. (the "Administrator") are 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 Executive and County Clerk. Subject to compliance with the applicable provisions of the laws of the State of Tennessee and the guidelines of the Funding Board of the State of Tennessee, the County Executive and County Clerk on behalf of the Board of County Commissioners, working with Cumberland and the Administrator are hereby authorized, empowered and directed hereunder 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 the Bonds issued in connection with the Loan Agreement. The execution of 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 Executive and 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 of the County.

Section 2. Additional Authorizations. All acts and doings of the County Executive 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 Swap Agreement as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 3. 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 4. 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 4th day of February, 2002.

/s/ George M. Miller
County Executive

ATTEST:

/s/ _____
County Clerk

CERTIFICATE OF COUNTY CLERK

I, Riley D. Wampler, certify that I am the duly qualified and acting County Clerk of Loudon 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 February 4, 2002; 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 interest rate swap agreements and outstanding loans of the County.

WITNESS my official signature and seal of said County on this the ____ day of February, 2002.

County Clerk

(SEAL)

Resolution 020402-M

A RESOLUTION AUTHORIZING THE ISSUANCE OF RURAL SCHOOL REFUNDING BONDS, SERIES 2002, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000) OF LOUDON COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to authority granted by Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, Loudon County, Tennessee (the "County") has issued its outstanding Rural School Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter (the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds, or a portion thereof, as shall be determined by the County Executive, in consultation with the Underwriter (as defined herein), can now be refinanced at a lower interest cost, thereby effecting a cost savings to the public; and

WHEREAS, counties in Tennessee are authorized by Section 9-21-101 et seq., Tennessee Code Annotated, as amended, to issue, by resolution, bonds to refund, redeem or make principal and interest payments on their previously issued bonds, notes or other obligations; and

WHEREAS, the Board of County Commissioners of the County (the "Governing Body") has heretofore determined that in order to provide the funds necessary to accomplish said refunding of the Outstanding Bonds, it is necessary to issue bonds of the County; and

WHEREAS, the plan of refunding for the Outstanding Bonds has been submitted to the State Director of Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and he has acknowledged receipt thereof to the County and submitted his report thereon to the County; and

WHEREAS, it is the intention of the Governing Body to adopt this resolution for the purpose of authorizing not to exceed \$850,000 in aggregate principal amount of said bonds, in book-entry only form, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LOUDON COUNTY, TENNESSEE, AS FOLLOWS:

SECTION 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

SECTION 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Bonds, to be entered into by and between the County and the Underwriter with respect to the sale of the Bonds;

(b) "Bonds" means not to exceed \$850,000 Rural School Refunding Bonds, Series 2002 of the County, to be dated March 1, 2002, or such other date as shall be determined by the County Executive pursuant to Section 8 hereof;

(c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;

(e) "County" shall mean Loudon County, Tennessee;

(f) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(g) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(h) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(i) "Escrow Agent" means the escrow agent appointed by the County Executive of the County to act as escrow agent pursuant to the Refunding Escrow Agreement, or its successor;

(j) "Governing Body" means the Board of Commissioners of the County;

(k) "Outstanding Bonds" means maturities designated by the County Executive, in consultation with the Underwriter, which achieve cost savings objectives of the County of the County's outstanding Rural School Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter;

(l) "Refunding Escrow Agreement" shall mean the Refunding Escrow Agreement, dated as of the date of the Bonds, that may be entered into by and between the County and the Escrow Agent as provided in Section 11 hereof;

(m) "Registration Agent" means the registration and paying agent for the Bonds appointed by the County Executive of the County pursuant to Section 3 hereof, as the registration and paying agent for the Bonds, or any successor designated by the Governing Body; and

(n) "Underwriter" means Cumberland Securities, Division of Morgan Keegan & Company, Inc., Knoxville, Tennessee.

SECTION 3. Findings of the Governing Body. It is hereby found and determined by the Governing Body that the refunding of the Outstanding Bonds as set forth herein through the issuance of the Bonds will result in the reduction in debt service payable by the County over the term of the Outstanding Bonds thereby effecting a cost savings to the public.

SECTION 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to refund all or a portion of the Outstanding Bonds and to pay the costs incident to the issuance and sale of the Bonds, as more fully set forth in Section 9 hereof, there are hereby authorized to be issued general obligation refunding bonds of the County in the approximate aggregate principal amount of not to exceed \$850,000. The Bonds shall be issued in fully registered, book-entry only form, without coupons, shall be known as "Rural School Refunding Bonds, Series 2002" and shall be dated March 1, 2002, or such other dated date as shall be determined by the County Executive pursuant to Section 8 hereof. The true interest rate on the Bonds shall not exceed five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 8 hereof, interest on the Bonds shall be payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2002. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature, either serially or through mandatory redemption, commencing on March 1, 2003 and continuing on the first day of March and September of each year thereafter through and including March 1, 2006, the final maturity date (subject to the adjustments permitted pursuant to Section 8 hereof) in such amounts as shall be established in the Bond Purchase Agreement by and between the County and the Underwriter.

(b) Unless otherwise provided by the County Executive pursuant to Section 8, the Bonds shall not be subject to redemption prior to maturity at the option of the County.

If the Bonds are subject to redemption and less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the County Executive is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Executive. In the event any or all the Bonds are sold as term bonds, the County shall redeem term bonds on redemption dates corresponding to the maturity dates permitted herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The

term bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) The County Executive is hereby authorized to appoint the Registration Agent, and such Registration Agent is hereby authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the

obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate

documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(i) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the County with the manual or facsimile signature of the County Executive and with the official seal, or a facsimile thereof, of the County impressed or imprinted thereon and attested by the manual or facsimile signature of the County Clerk.

(j) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the County and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the

Beneficial Owners. The County and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(m) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Registration Agent, upon written direction from the County, shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the County and the Registration Agent of the destruction, theft or loss of such Bond, and indemnity satisfactory to the County and the

Registration Agent; and the County may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

SECTION 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the County lying outside the territorial limits of the City of Lenoir City, Tennessee. Subject to the limitation set forth in the preceding sentence, for the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

SECTION 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF LOUDON
RURAL SCHOOL REFUNDING BOND, SERIES 2002

Interest Rate:

Maturity Date:

Date of Bond:
March 1, 2002

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Loudon County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on September 1, 2002, and semi-annually thereafter on the first day of March and September in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable

to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of the issue of which this Bond shall mature without option of prior redemption at the option of the County.

If the Bonds are subject to redemption and less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Commissioners of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the County shall redeem Bonds maturing on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed
-------------------	--------------------	--

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as

the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the County to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$850,000 and issued by the County for the purpose of providing funds to refund the County's outstanding Rural School Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter, and to pay costs of issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on the 4th day of February, 2002 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the County lying outside the territorial limits of the City of Lenoir City, Tennessee. Subject to the limitation set forth in the preceding sentence, for the prompt payment of principal of, [premium, if any,] and interest on this Bond, the full faith and credit of the County are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to said Resolution.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond,

together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its County Executive with his manual or facsimile signature and attested by its County Clerk with his manual or facsimile signature under an impression or facsimile of the corporate seal of the County, all as of the date hereinabove set forth.

LOUDON COUNTY, TENNESSEE

By: George M. Miller
County Executive

(SEAL)

ATTESTED:

County Clerk

Transferable and payable at the
principal corporate trust office of: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification or Social Security Number of Assignee _____), the within Bond of Loudon County, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner

as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

SECTION 7. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the corporate limits of the County lying outside the territorial limits of the City of Lenoir City, Tennessee, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal of, premium, if any, and interest coming due on the Bonds in said year. Principal, premium, if any, and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any appropriations from other funds, taxes and revenues of the County to the payment of debt service on the Bonds.

SECTION 8. Sale of Bonds.

(a) The Bonds shall be sold in one or more emissions as required by law at negotiated sale at a price of not less than ninety-eight percent (98%) of par, exclusive of original issue discount, plus accrued interest, as shall be determined by the County Executive in consultation with the Underwriter. The County Executive is authorized to sell the Bonds at a negotiated sale to the Underwriter. The true interest rate of the Bonds shall not exceed five and one-half and percent (5.50%) per annum. The sale of the Bonds by the County Executive shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required.

(b) To facilitate the sale of the Bonds in a manner that is in the best interest of the County and results in the greatest cost savings for the County, the County Executive, in consultation with the Underwriter, is authorized to designate the maturities of the Outstanding Bonds to be refunded so long as it will maximize the cost savings objectives of the County, to provide that some or all of the Bonds shall be redeemable prior to maturity at the option of the County, provided the redemption premium on any of the Bonds to be redeemed does not exceed two percent (2%) of the par amount to be redeemed; to sell any or all of the Bonds as term bonds with annual mandatory redemption requirements, to change the dated date of the Bonds to a date other than March 1, 2002, to change the series designation of the Bonds, to adjust principal and interest payment dates of the Bonds so long as the first maturity date is not later than March 1, 2003 and the final maturity date is not later than March 1, 2007, and to decrease the total amount authorized to be issued herein so long as the total amount of the Bonds does not exceed \$850,000 all such adjustments shall maximize the cost savings objectives of refunding of the Outstanding Bonds.

(c) The County Executive shall cause, if advantageous to the County, all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance

company and to enter into such agreements on behalf of the County with the bond insurance company as may be required to obtain the bond insurance policy.

(d) The County Executive is hereby authorized to execute and the County Clerk is authorized to attest a Bond Purchase Agreement with the Underwriter, providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in such form as is approved by the County Executive, provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this resolution, and is not inconsistent with the terms hereof.

(e) The County Executive is authorized to sell the Bonds simultaneously with or as a single issue of bonds together with other bonds authorized by resolution(s) of the Governing Body, provided the terms of said bonds are similar with the terms of the Bonds authorized herein. In connection with such sale, the County is authorized to make such other adjustments permitted herein.

(f) The County Executive and the County Clerk, or either of them, are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the successful bidder and/or to the Underwriter and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

SECTION 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be applied by the County as follows:

(a) all accrued interest shall be deposited to the appropriate fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds; and

(b) an amount, which together with investment earnings thereon and legally available funds of the County, if any, will be sufficient to pay principal of, premium, if any, and interest on the Outstanding Bonds (subject to adjustments permitted by Section 8 above) shall be transferred to the Escrow Agent under the Refunding Escrow Agreement to be deposited to the Escrow Fund established thereunder to be held and applied as provided therein or held by the County to redeem the Outstanding Bonds; and

(c) the remainder of the proceeds of the sale of the Bonds shall be paid used to pay the costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds.

SECTION 10. Official Statement. The County Executive and the County Clerk, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the County Executive are sold at the same time as the Bonds. After the Bonds have been sold, the County Executive and the County Clerk, working with the Underwriter, 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 Executive and the County Clerk, or either of them, shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the Underwriter, to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriter and members of its selling group initially sell the Bonds.

The County Executive and the County Clerk, or either of them, are authorized, on behalf of the County, 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 11. Refunding Escrow Agreement. For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, the County Executive is hereby authorized to execute and the County Clerk to attest on behalf of the County a Refunding Escrow Agreement with the Escrow Agent and to deposit with the Escrow Agent the amounts to be used by the Escrow Agent to redeem the Outstanding Bonds as provided therein; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and interest on the Outstanding Bonds and to exercise such duties as set forth in the Refunding Escrow Agreement. The County Executive, in consultation with the Underwriter, may dispense with the use of the Refunding Escrow Agreement and the County may hold the funds needed to redeem the Outstanding Bonds if the defeasance of the Outstanding Bonds is not needed to permit the sale of the Bonds at the lowest possible interest rate.

SECTION 12. Federal Tax Matters. The County recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the County agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming taxable. The County Executive and the County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

SECTION 13. Discharge and Satisfaction of Bonds. If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter

defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

SECTION 14. 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 the Bonds. The County Executive is authorized to execute at the closing of the sale of the Bonds, 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 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 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds,

no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

SECTION 16. 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 17. Qualified Tax-Exempt Obligations. To the extent, if any, the Bonds are not deemed "qualified tax-exempt obligations," the Governing Body hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code.

SECTION 18. Repeal of Conflicting Resolutions. 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.

SECTION 19. Effective Date. That this resolution shall take effect from and after its passage, the general welfare of the County, requiring it.

Adopted and approved this 4th day of February, 2002.


COUNTY EXECUTIVE

ATTEST:

COUNTY CLERK

STATE OF TENNESSEE)
)
COUNTY OF LOUDON)

I, Riley D. Wampler, certify that I am the duly qualified and acting County Clerk of Loudon 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 February 4, 2002; 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 not to exceed \$850,000 Rural School Refunding Bonds, Series 2002 of said County.

WITNESS my official signature and seal of said County this _____ day of February, 2002.

County Clerk

Resolution 020402-N

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2002, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION TWO HUNDRED THOUSAND DOLLARS (\$2,200,000) OF LOUDON COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to authority granted by Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, Loudon County, Tennessee (the "County") has issued its outstanding General Obligation Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter, its outstanding Industrial Park Revenue and Tax Refunding Bond, Series 1993 (Taxable), dated July 1, 1993, maturing March 1, 2003 and thereafter and its outstanding General Obligation Public Improvement Bonds, Series 1994, dated May 1, 1994, maturing April 1, 2002 and thereafter (collectively, the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds, or a portion thereof, as shall be determined by the County Executive, in consultation with the Underwriter (as defined herein), can now be refinanced at a lower interest cost, thereby effecting a cost savings to the public; and

WHEREAS, counties in Tennessee are authorized by Section 9-21-101 et seq., Tennessee Code Annotated, as amended, to issue, by resolution, bonds to refund, redeem or make principal and interest payments on their previously issued bonds, notes or other obligations; and

WHEREAS, the Board of County Commissioners of the County (the "Governing Body") has heretofore determined that in order to provide the funds necessary to accomplish said refunding of the Outstanding Bonds, it is necessary to issue bonds of the County; and

WHEREAS, the plan of refunding for the Outstanding Bonds has been submitted to the State Director of Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and he has acknowledged receipt thereof to the County and submitted his report thereon to the County; and

WHEREAS, it is the intention of the Governing Body to adopt this resolution for the purpose of authorizing not to exceed \$2,200,000 in aggregate principal amount of said bonds, in book-entry only form, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LOUDON COUNTY, TENNESSEE, AS FOLLOWS:

SECTION 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

SECTION 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

- (a) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Bonds, to be entered into by and between the County and the Underwriter with respect to the sale of the Bonds;
- (b) "Bonds" means not to exceed \$2,200,000 General Obligation Refunding Bonds, Series 2002 of the County, to be dated March 1, 2002, or such other date as shall be determined by the County Executive pursuant to Section 8 hereof;
- (c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;
- (d) "Certificate" shall mean Certificate of Public Purpose and Necessity No. 185 of the Building Finance Committee of the Tennessee Industrial and Agricultural Development Commission relating to the Industrial Park;
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;
- (f) "County" shall mean Loudon County, Tennessee;
- (g) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;
- (h) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;
- (i) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;
- (j) "Escrow Agent" means the escrow agent appointed by the County Executive of the County to act as escrow agent pursuant to the Refunding Escrow Agreement, or its successor;
- (k) "Governing Body" means the Board of Commissioners of the County;
- (l) "Industrial Park" shall mean the County's industrial park facility, refinanced in part with the proceeds of the Industrial Park Bonds and developed in accordance with the Certificate;
- (m) "Industrial Park Bonds" shall mean the County's Industrial Park Revenue and Tax Refunding Bonds, Series 1993 (Taxable) dated July 1, 1993, maturing March 1, 2003 and thereafter;
- (n) "Outstanding Bonds" means maturities designated by the County Executive, in consultation with the Underwriter, which achieve cost savings objectives of the County of the County's outstanding General Obligation Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter, its outstanding Industrial Park Revenue and Tax Refunding Bond,

Series 1993 (Taxable), dated July 1, 1993, maturing March 1, 2003 and thereafter and its outstanding General Obligation Public Improvement Bonds, Series 1994, dated May 1, 1994, maturing April 1, 2002 and thereafter;

(o) "Refunding Escrow Agreement" shall mean the Refunding Escrow Agreement, dated as of the date of the Bonds, that may be entered into by and between the County and the Escrow Agent as provided in Section 11 hereof;

(p) "Registration Agent" means the registration and paying agent for the Bonds appointed by the County Executive of the County pursuant to Section 3 hereof, as the registration and paying agent for the Bonds, or any successor designated by the Governing Body; and

(q) "Underwriter" means Cumberland Securities, Division of Morgan Keegan & Company, Inc., Knoxville, Tennessee.

SECTION 3. Findings of the Governing Body. It is hereby found and determined by the Governing Body that the refunding of the Outstanding Bonds as set forth herein through the issuance of the Bonds will result in the reduction in debt service payable by the County over the term of the Outstanding Bonds thereby effecting a cost savings to the public.

SECTION 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to refund all or a portion of the Outstanding Bonds and to pay the costs incident to the issuance and sale of the Bonds, as more fully set forth in Section 9 hereof, there are hereby authorized to be issued general obligation refunding bonds of the County in the approximate aggregate principal amount of not to exceed \$2,200,000. The Bonds shall be issued in fully registered, book-entry only form, without coupons, shall be known as "General Obligation Refunding Bonds, Series 2002" and shall be dated March 1, 2002, or such other dated date as shall be determined by the County Executive pursuant to Section 8 hereof. The true interest rate on the Bonds shall not exceed five and one-half percent (5.50%) per annum. Subject to the adjustments permitted pursuant to Section 8 hereof, interest on the Bonds shall be payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2002. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter, and shall mature, either serially or through mandatory redemption, commencing on March 1, 2003 and continuing on the first day of March and September of each year thereafter through and including March 1, 2009, the final maturity date (subject to the adjustments permitted pursuant to Section 8 hereof) in such amounts as shall be established in the Bond Purchase Agreement by and between the County and the Underwriter.

(b) Unless otherwise provided by the County Executive pursuant to Section 8, the Bonds shall not be subject to redemption prior to maturity at the option of the County.

If the Bonds are subject to redemption and less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the County Executive is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Executive. In the event any or all the Bonds are sold as term bonds, the County shall redeem term bonds on redemption dates corresponding to the maturity dates permitted herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are

available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) The County Executive is hereby authorized to appoint the Registration Agent, and such Registration Agent is hereby authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to

the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(i) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the County with the manual or facsimile signature of the County Executive and with the official seal, or a facsimile thereof, of the County impressed or imprinted thereon and attested by the manual or facsimile signature of the County Clerk.

(j) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds.

Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the County and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The County and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and

deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(m) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Registration Agent, upon written direction from the County, shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the County and the Registration Agent of the destruction, theft or loss of such Bond, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

SECTION 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

SECTION 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF LOUDON
GENERAL OBLIGATION REFUNDING BOND, SERIES 2002

Interest Rate:

Maturity Date:

Date of Bond:
March 1, 2002

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Loudon County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on September 1, 2002, and semi-annually thereafter on the first day of

March and September in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of the issue of which this Bond shall mature without option of prior redemption at the option of the County.

If the Bonds are subject to redemption and less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Commissioners of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the County shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding

each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the County to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$2,200,000 and issued by the County for the purpose of providing funds to refund the County's outstanding General Obligation Refunding and Improvement Bonds, Series 1993, dated July 1, 1993, maturing March 1, 2003 and thereafter, its outstanding Industrial Park Revenue and Tax Refunding Bond, Series 1993 (Taxable), July 1, 1993, maturing March 1, 2003 and thereafter and its outstanding General Obligation Public Improvement Bonds, Series 1994, dated May 1, 1994, maturing April 1, 2002 and thereafter, and to pay costs of issuance of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on the 4th day of February, 2002 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the County. For the prompt payment of principal of, [premium, if any,] and

interest on this Bond, the full faith and credit of the County are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to said Resolution.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its County Executive with his manual or facsimile signature and attested by its County Clerk with her manual or facsimile signature under an impression or facsimile of the corporate seal of the County, all as of the date hereinabove set forth.

LOUDON COUNTY, TENNESSEE

By: George M. Miller
County Executive

(SEAL)

ATTESTED:

County Clerk

Transferable and payable at the
principal corporate trust office of: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification or Social Security Number of Assignee _____), the within Bond of Loudon County, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

SECTION 7. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the corporate limits of the County, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal of, premium, if any, and interest coming due on the Bonds in said year. Principal, premium, if any, and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any appropriations from other funds, taxes and

revenues of the County to the payment of debt service on the Bonds including any amounts or revenues available to the County from the development and operation of the Industrial Park.

SECTION 8. Sale of Bonds.

(a) The Bonds shall be sold in one or more emissions as required by law at negotiated sale at a price of not less than ninety-eight percent (98%) of par, exclusive of original issue discount, plus accrued interest, as shall be determined by the County Executive in consultation with the Underwriter. The County Executive is authorized to sell the Bonds at a negotiated sale to the Underwriter. The true interest rate of the Bonds shall not exceed five and one-half and percent (5.50%) per annum. The sale of the Bonds by the County Executive shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required.

(b) To facilitate the sale of the Bonds in a manner that is in the best interest of the County and results in the greatest cost savings for the County, the County Executive, in consultation with the Underwriter, is authorized to designate the maturities of the Outstanding Bonds to be refunded so long as it will maximize the cost savings objectives of the County, to provide that some or all of the Bonds shall be redeemable prior to maturity at the option of the County, provided the redemption premium on any of the Bonds to be redeemed does not exceed two percent (2%) of the par amount to be redeemed; to sell any or all of the Bonds as term bonds with annual mandatory redemption requirements, to change the dated date of the Bonds to a date other than March 1, 2002, to change the series designation of the Bonds, to adjust principal and interest payment dates of the Bonds so long as the first maturity date is not later than March 1, 2003 and the final maturity date is not later than March 1, 2010, and to decrease the total amount authorized to be issued herein so long as the total amount of the Bonds does not exceed \$2,200,000 all such adjustments shall maximize the cost savings objectives of refunding of the Outstanding Bonds.

(c) The County Executive shall cause, if advantageous to the County, all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company and to enter into such agreements on behalf of the County with the bond insurance company as may be required to obtain the bond insurance policy.

(d) The County Executive is hereby authorized to execute and the County Clerk is authorized to attest a Bond Purchase Agreement with the Underwriter, providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in such form as is approved by the County Executive, provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this resolution, and is not inconsistent with the terms hereof.

(e) The County Executive is authorized to sell the Bonds simultaneously with or as a single issue of bonds together with other bonds authorized by resolution(s) of the Governing Body, provided the terms of said bonds are similar with the terms of the Bonds authorized herein. In connection with such sale, the County is authorized to make such other adjustments permitted herein.

(f) The County Executive and the County Clerk, or either of them, are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the successful bidder and/or to the Underwriter and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

SECTION 9. Industrial Park Covenants. The County agrees with the owners of the Bonds as follows:

(a) The Industrial Park Project was developed and has been and will be disposed of in a manner which would not violate the laws, statutes or constitution of the State.

(b) The County will comply with all requirements and conditions of the Certificate in connection with the development and operation of the Industrial Park and the payment of the Bonds.

(c) Any transfer of ownership of or delegation of management responsibilities for the Industrial Park shall be subject to the terms and conditions of this resolution, and the County will cause any subsequent owner or manager to comply with the requirements and provisions of this resolution.

(d) The total indebtedness of the County outstanding, including the portion of the Bonds allocable to refinancing, in part, the Industrial Park, solely for the purposes authorized by Sections 13-16-201 to 13-16-207, inclusive, and 7-55-101 to 7-55-116, inclusive, Tennessee Code Annotated, does not and will not exceed ten percent (10%) of the total assessed valuation of the property in the County as ascertained by the last completed assessment.

SECTION 10. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be applied by the County as follows:

(a) all accrued interest shall be deposited to the appropriate fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds; and

(b) an amount, which together with investment earnings thereon and legally available funds of the County, if any, will be sufficient to pay principal of, premium, if any, and interest on the Outstanding Bonds (subject to adjustments permitted by Section 8 above) shall be transferred to the Escrow Agent under the Refunding Escrow Agreement to be deposited to the Escrow Fund established thereunder to be held and applied as provided therein or held by the County to redeem the Outstanding Bonds; and

(c) the remainder of the proceeds of the sale of the Bonds shall be paid used to pay the costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds.

SECTION 11. Official Statement. The County Executive and the County Clerk, or either of them, working with the Underwriter, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the County Executive are sold at the same time as the Bonds. After the Bonds have been sold, the County Executive and the County Clerk, working with the Underwriter, 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 Executive and the County Clerk, or either of them, shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to

the Underwriter, to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriter and members of its selling group initially sell the Bonds.

The County Executive and the County Clerk, or either of them, are authorized, on behalf of the County, 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 12. Refunding Escrow Agreement. For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, the County Executive is hereby authorized to execute and the County Clerk to attest on behalf of the County a Refunding Escrow Agreement with the Escrow Agent and to deposit with the Escrow Agent the amounts to be used by the Escrow Agent to redeem the Outstanding Bonds as provided therein; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and interest on the Outstanding Bonds and to exercise such duties as set forth in the Refunding Escrow Agreement. The County Executive, in consultation with the Underwriter, may dispense with the use of the Refunding Escrow Agreement and the County may hold the funds needed to redeem the Outstanding Bonds if the defeasance of the Outstanding Bonds is not needed to permit the sale of the Bonds at the lowest possible interest rate.

SECTION 13. Federal Tax Matters. The County recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the County agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming taxable. The County Executive and the County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

SECTION 14. Discharge and Satisfaction of Bonds. If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and

which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

SECTION 15. 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 the Bonds. The County Executive is authorized to execute at the closing of the sale of the Bonds, 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 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 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

SECTION 17. 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 18. Qualified Tax-Exempt Obligations. To the extent, if any, the Bonds are not deemed "qualified tax-exempt obligations," the Governing Body hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code.

SECTION 19. Repeal of Conflicting Resolutions. 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.

SECTION 20. Effective Date. That this resolution shall take effect from and after its passage, the general welfare of the County, requiring it.

Adopted and approved this 4th day of February, 2002.


COUNTY EXECUTIVE

ATTEST:

COUNTY CLERK

STATE OF TENNESSEE)
)
COUNTY OF LOUDON)

I, Riley D. Wampler, certify that I am the duly qualified and acting County Clerk of Loudon 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 February 4, 2002; 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 not to exceed \$2,200,000 General Obligation Refunding Bonds, Series 2002 of said County.

WITNESS my official signature and seal of said County this ____ day of _____, 2001.

County Clerk

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-O

A RESOLUTION TO HONOR AND RECOGNIZE RACHEL L. PERRY FOR PARTICIPATING IN THE GROUP STUDY EXCHANGE PROGRAM OF THE ROTARY FOUNDATION OF ROTARY INTERNATIONAL

WHEREAS, the Group Study Exchange Program of the Rotary Foundation of Rotary International is a cultural and vocational exchange opportunity for young business and professional men and women between the ages of twenty-five (25) and forty (40) in the initial years of their professional life, and

WHEREAS, the program provides travel grants for teams of young participants to exchange visits in different countries, and

WHEREAS, for four to six weeks, team members study the host country's institutions and ways of life, observe their own vocations as practiced abroad, develop personal and professional relationships and exchange ideas, and

WHEREAS, Rachel L. Perry applied and was awarded the opportunity to be a part of the exchange program in Mexico, and

WHEREAS, Rachel L. Perry is a first grade teacher at Loudon Elementary School, with two Spanish speaking students, and

WHEREAS, Rachel L. Perry stated that participation in this program would allow her to continue and expand upon the cultural education she currently provides in the classroom, and

WHEREAS, Rachel L. Perry submitted an essay to be part of this program not only for herself, but also the hundreds of children that will pass through her classroom in the future.

NOW, THEREFORE, BE IT RESOLVED that the Loudon County Commission meeting in regular session assembled this 4th of February, 2002, with all members present concurring that Rachel L. Perry be commended for this exceptional achievement, her dedication and desire to better her classroom with cultural teachings and understanding, and that a copy of this resolution be spread upon the minutes of this meeting.

This Resolution shall take effect from and after its passage.


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

Exhibit O

LOUDON COUNTY COMMISSION

RESOLUTION NO. 020402-P

A RESOLUTION TO HONOR AND RECOGNIZE MELINDA K. DAY AS
2002 TEACHER OF THE YEAR

WHEREAS, Melinda K. Day has served as a 5th grade teacher at Lenoir City Elementary School for seven years, and

WHEREAS, during her tenure she has demonstrated outstanding accomplishments in community affairs and educational endeavors, and

WHEREAS, after nomination for this award, Melinda K. Day went through a series of answering extensive essay questions on the teaching profession and responsibilities, contributions to education, issues of accountability and her overall message to Tennessee teachers and citizens about the importance of education, which qualified her as one of eighteen district finalists, and

WHEREAS, Melinda K. Day participated in an intense interview session in Nashville with approximately twelve people on the interview panel, and

WHEREAS, from that interview process, Melinda K. Day was announced one of the six finalists, and

WHEREAS, on October 12, 2001, the eighteen district finalists attended the awards ceremony, where Melinda K. Day was proclaimed 2002 Tennessee Teacher of the Year, and

WHEREAS, this honor qualifies Melinda K. Day for 2002 National Teacher of the Year, which will later be announced at the White Rose Garden in the presence of President Bush.

NOW, THEREFORE, BE IT RESOLVED that the Loudon County Commission meeting in regular session assembled this 4th of February, 2002, with all members present concurring that Melinda K. Day be commended for her outstanding achievement, her dedication to be the very best, and the excellent manner in which she represents Lenoir City Schools and Loudon County and that a copy of this resolution be spread upon the minutes of this meeting.

This Resolution shall take effect from and after its passage.


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY EXECUTIVE

Exhibit P

RESOLUTION 020402-Q

A RESOLUTION AMENDING THE ZONING MAP OF LOUDON COUNTY, TENNESSEE, PURSUANT TO CHAPTER FOUR, SECTION 13-7-105 OF THE TENNESSEE CODE ANNOTATED, TO REZONE PROPERTY AT HIGHWAY 11 EAST, LOCATED IN THE SECOND LEGISLATIVE DISTRICT, REFERENCED BY TAX MAP 12, PARCEL 99.00, FROM R-1, SUBURBAN RESIDENTIAL DISTRICT, TO C-2, GENERAL COMMERCIAL DISTRICT.

WHEREAS, the Loudon County Commission, in accordance with Chapter Four, Section 13-7-105 of the Tennessee Code Annotated, may from time to time, amend the number, shape, boundary, area or any regulation of or within any district or districts, or any other provision of any zoning resolution; and

WHEREAS, the Regional Planning Commissions forwarded their recommendations regarding the amendment to the Zoning Map of Loudon County, Tennessee; and

WHEREAS, a notice of public hearing and a description of the resolution appeared in the Loudon County News Herald on December 31, 2001, consistent with the provisions of Tennessee Code Annotated, Section 13-7-105,

NOW, THEREFORE, BE IT RESOLVED by the Loudon County Commission that the Zoning Map of Loudon County, Tennessee be amended as follows:

1. That property at Highway 11 East, located in the Second Legislative District, referenced by Tax Map 12, Parcel 99.00, be rezoned from R-1, Suburban Residential District, to C-2, General Commercial District, as represented on the attached map; said map being part of this Resolution.

BE IT FINALLY RESOLVED, that this Resolution shall take effect immediately, the public welfare requiring it.

ATTEST

George M. Miller
APPROVED: LOUDON COUNTY EXECUTIVE

Boyd Blanton
LOUDON COUNTY CHAIRMAN
DATE: _____

The vote on the question of approval of this Resolution by the Planning Commissions is as follows:

APPROVED: 6

DISAPPROVED: 0

Henry M. Miller
ATTEST: SECRETARY, LOUDON COUNTY
REGIONAL PLANNING COMMISSION
Dated: January 15, 2001

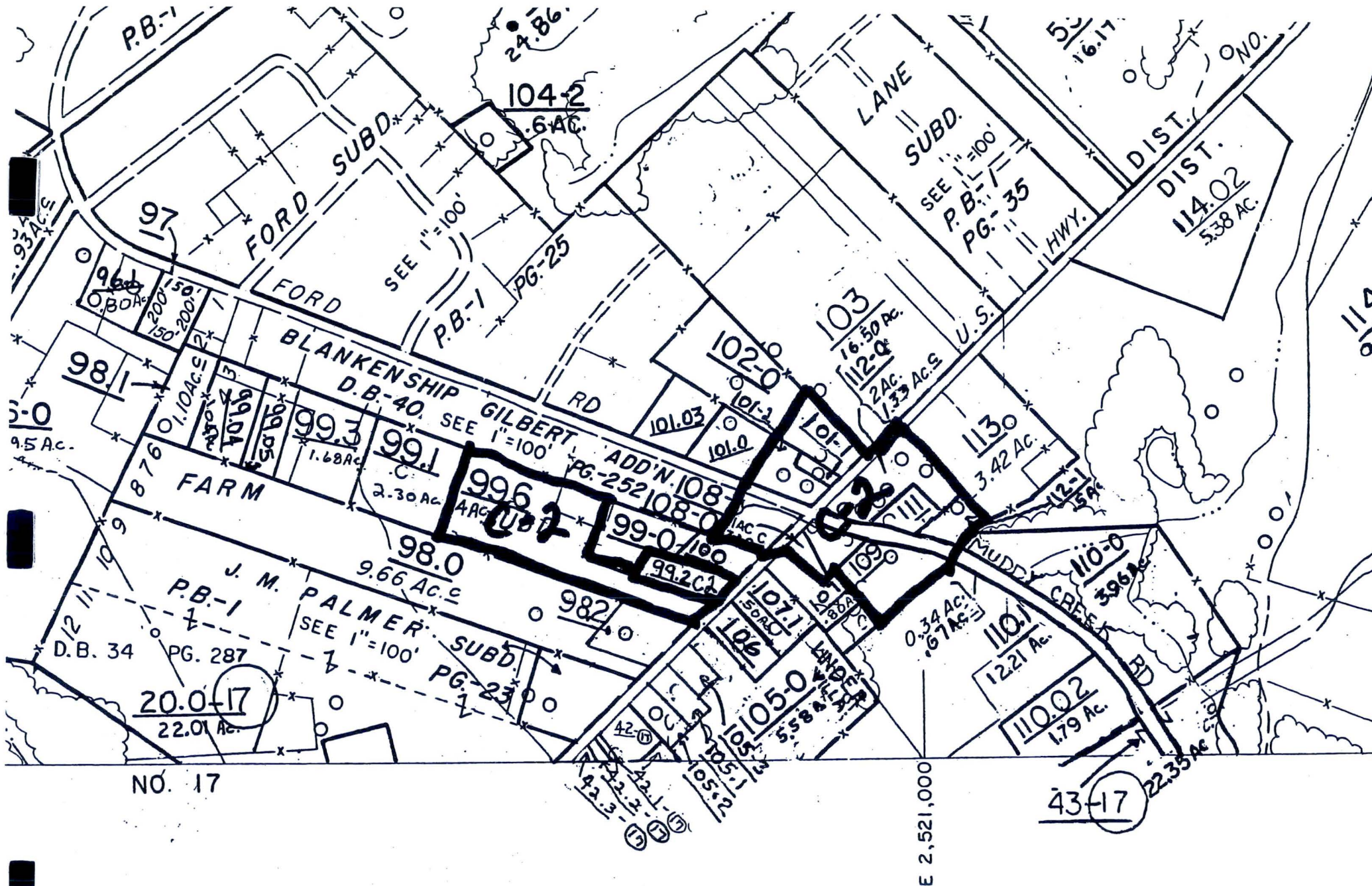
APPROVED: 6

DISAPPROVED: 0

Eddie Simpson
ATTEST: SECRETARY, LENOIR CITY
REGIONAL PLANNING
COMMISSION
Dated: January 8, 2001

FILE #01-12-221-RZ-CO(LEPR)

1884

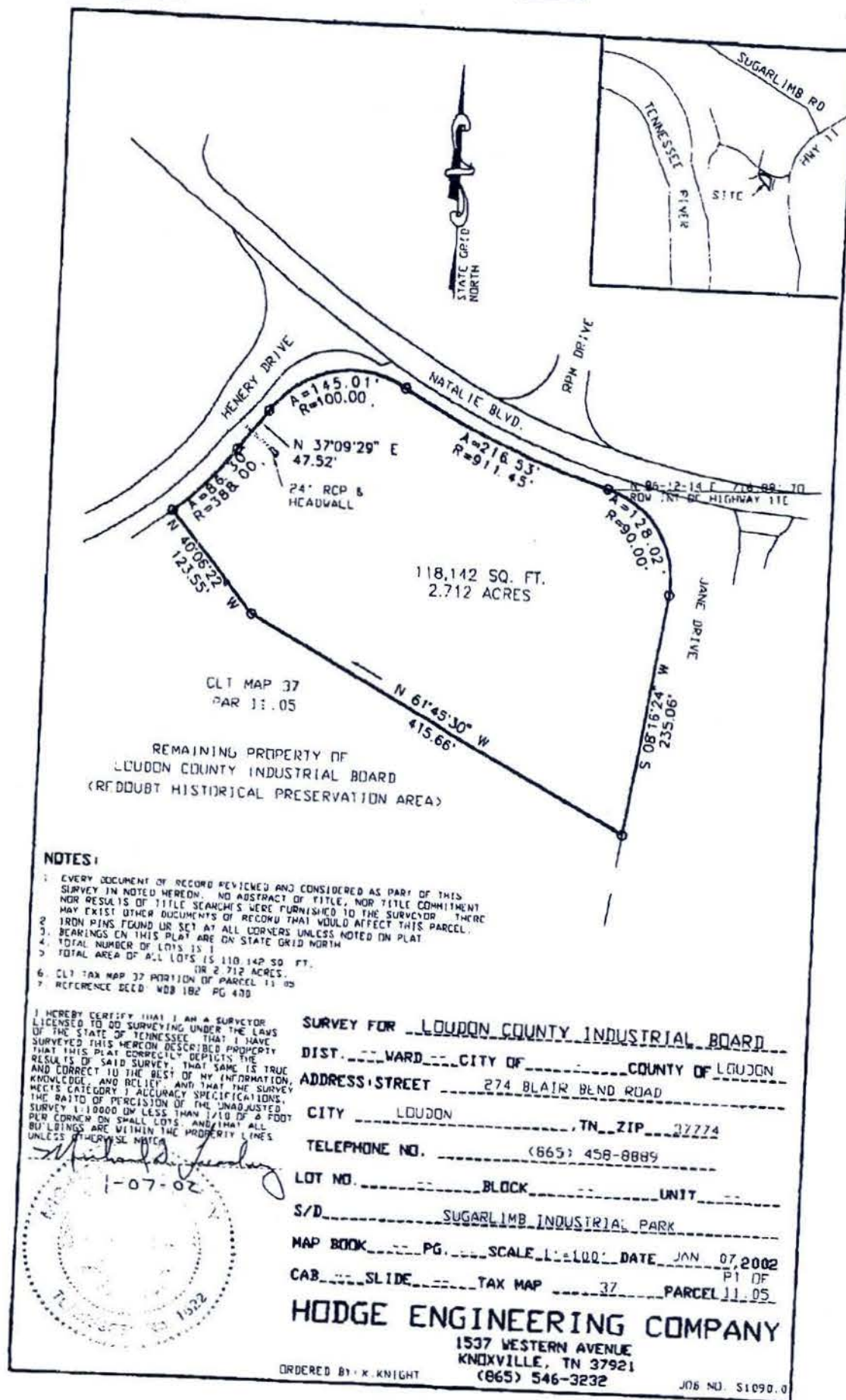


- CREEK
- STATE LINE
- CO. LINE
- CORP LIMITS
- TRANSMISSION LINE



7	8	9
11	12	13

— REVISIONS —		
1 7-1-67	6 1-1-88	11 1-1-93
2 1-10-69	7 1-1-89	12 1-1-94
3 1-10-71	8 1-1-90	13 1-31-91
4 1-1-86	9 1-1-91	14 1-4-91
		15 1-31-97



95%

1586

Exhibit R