

LOUDON COUNTY COMMISSION
REGULAR MEETING
March 01, 2004

- | | | |
|------|--|----------------------------|
| (1) | Opening Of Meeting | |
| (2) | Roll Call | |
| (3) | Agenda Adopted | |
| (4) | Minutes for February 02, 2004 Approved | |
| (5) | Comments: Agenda Items | <u>Exhibits A - C</u> |
| (6) | LCSWDC Appointments Approved | <u>Resolution 030104-D</u> |
| (7) | LCACA Suspended | <u>Resolution 030104-E</u> |
| (8) | General Obligation Refunding Bonds Approved | <u>Resolution 030104-F</u> |
| (9) | State & Federal Grant Review Approved | <u>Resolution 030104-G</u> |
| (10) | Highway Department Budget Amendments Approved | <u>Exhibit H</u> |
| (11) | Financial Report | |
| (12) | Director of Schools Resolution Adopted | <u>Resolution 030104-I</u> |
| (13) | EAC Amendment Failed | |
| (14) | EAC Resolution Failed | <u>Resolution 030104-J</u> |
| (15) | Crossover Drives Resolution Amendment Approved | <u>Resolution 030104-K</u> |
| (16) | Bonds & Notaries Approved | |
| (17) | Comments: Non-Agenda Items | |
| (18) | Adjournment | |

**LOUDON COUNTY COMMISSION
STATE OF TENNESSEE
COUNTY OF LOUDON**

**March 01, 2004
6:00 PM**

**(1)
Opening
Of Meeting**

BE IT REMEMBERED that the Board of Commissioners of Loudon County convened in regular session in Loudon, Tennessee on the 1st day of March, 2004.

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

Officer Sonny Routson opened Court and **Commissioner Shaver** led the Pledge of Allegiance to the Flag of the United States of America, and **Officer Sonny Routson** gave the invocation.

**(2)
Roll Call**

Present were the following Commissioners: **Marcus, Jenkins, Maples, Franke, Bledsoe, Duff, Shaver, Harold and Miller: (9).**

The following Commissioner was absent: **Meers: (1).**

Thereupon **Chairman Bledsoe** announced the presence of a quorum. Also present was the **Honorable George Miller, County Mayor.**

**(3)
Agenda
Adopted**

Chairman Bledsoe requested that the March 01, 2004 agenda be adopted.

Commissioner Harold requested that the Animal Control Authority members be allowed to speak regarding item 6A2, "*Consideration of adopting a resolution rescinding Resolution 030600-F, 'Resolution Establishing the Loudon County Animal Control Authority'*".

Commissioner Jenkins requested that item 6C1, "*Consideration of adopting a resolution adopting the 2000 International Building Code for Loudon County, Tennessee, pursuant to Tennessee Code Annotated, Sections 5-20-101 through 5-20-103*" be removed from the agenda for further discussion regarding language of the resolution.

A **motion** was made by **Commissioner Jenkins** with a second by **Commissioner Miller** to adopt agenda with requested deletion.

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

**(4)
Minutes for
February 02,
2004 Approved**

Chairman Bledsoe requested the February 02, 2004 County Commission Meeting minutes be approved and accepted.

A **motion** was made by **Commissioner Franke** with a second by **Commissioner Shaver** to adopt minutes as presented.

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

**(5)
Comments:
Agenda Items**

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

Ms. Aileen Longmire, Loudon County resident, came forward to speak in opposition of items 6A1 (LCSWDC Appointments) and 6E1 (Early Action Compact control measures) and submitted written comments to be included as part of the minutes.

Exhibit A

Mr. Jim Pope, Loudon County resident, came forward to speak in opposition of item 6E1 (Early Action Compact control measures) and submitted written comments to be included as part of the minutes.

Exhibit B

Mr. Ron Moore, Loudon County resident, came forward to speak in opposition of item 6E1 (Early Action Compact control measures), stating stipulations should be placed on industry in the control measures.

Ms. Pat Hunter, Loudon County resident, came forward to speak in opposition of item 6E1 (Early Action Compact control measures) and submitted written comments to be included as part of the minutes.

Exhibit C

Ms. Sharon Buxkemper, LCACA member, came forward to speak in opposition of item 6A2 (Rescinding Resolution 030600-F).

Ms. Janet McKnight, LCACA member, came forward to speak in opposition of item 6A2 (Rescinding Resolution 030600-F).

Ms. Druanne Martin, Loudon County resident, came forward to speak in opposition of item 6A2 (Rescinding Resolution 030600-F).

County Mayor Miller requested discussion and possible action on the following items:

1. Consideration of adopting a resolution appointing Steve Field, Aprell Patterson and John Watkins to the Loudon County Solid Waste Disposal Commission.

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

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

Resolution 030104-D

2. Consideration of adopting a resolution rescinding Resolution 030600-F, "*Resolution Establishing the Loudon County Animal Control Authority*".

A **motion** was made by **Commissioner Jenkins** with a second by **Commissioner Miller** to amend the resolution to suspend the Loudon County Animal Control Authority for ninety (90) days.

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

Resolution 030104-E

Mayor Miller announced that Commissioner Franke, Steve Hurst and Betty Brown will serve on the Animal Shelter Operations Study Committee.

Nancy Richesin, Loudon County Director of Budgets and Accounts, requested discussion and consideration of the following items:

1. Consideration of adopting a resolution authorizing the issuance of general obligation refunding bonds.

A **motion** was made by **Commissioner Shaver** with a second by **Commissioner Franke** to adopt this resolution.

Upon roll call vote the following Commissioners voted **Aye: Marcus, Jenkins, Maples, Franke, Bledsoe, Duff, Shaver, Harold and Miller: (9).**

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

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the motion **Passed: (9-0-1).**

Resolution 030104-F

2. Consideration of adopting a resolution authorizing Loudon County, Tennessee to establish a policy for State and Federal grant review and approval.

A **motion** was made by **Commissioner Marcus** with a second by **Commissioner Miller** to adopt this resolution.

Upon roll call vote the following Commissioners voted **Aye: Marcus, Jenkins, Maples, Franke, Bledsoe, Duff, Shaver, Harold and Miller: (9).**

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

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the motion **Passed: (9-0-1).**

Resolution 030104-G

(6)
LCSWDC
Appointments
Approved

(7)
LCACA
Suspended

(8)
General
Obligation
Refunding
Bonds
Approved

(9)
State &
Federal Grant
Review
Approved

(10)
**Highway
Department
Budget
Amendments
Approved**

3. Consideration of approving budget amendments for the Loudon County Highway Department.

A **motion** was made by **Commissioner Marcus** with a second by **Commissioner Miller** to approve budget amendments.

Upon roll call vote the following Commissioners voted **Aye: Marcus, Jenkins, Maples, Franke, Bledsoe, Duff, Shaver, Harold and Miller: (9).**

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

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the motion **Passed: (9-0-1).**

Exhibit H

(11)
**Financial
Report**

Nancy Richesin reported that the latest financial report has been distributed. January and February will have an approximate twenty (20) day delay due to tax season.

(12)
**Director of
Schools
Resolution
Adopted**

A **motion** was made by **Commissioner Duff** with a second by **Commissioner Shaver** to adopt a resolution to urge the General Assembly to enact Legislation to allow counties the option to select a Director of Schools by election or appointment, omitting under "Now Therefore" "to allow county legislative bodies to choose the method of selection of the director of schools or, in the alternative, the General Assembly is urged".

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

Resolution 030104-I

(13)
**EAC
Amendment
Failed**

A **motion** was made by **Commissioner Miller** with a second by **Commissioner Harold** to adopt a resolution committing Loudon County to certain control measures to comply with Early Action Compact.

A **motion** was made by **Commissioner Shaver** with a second by **Commissioner Duff** to amend the resolution to remove anti-idling legislation, reduction in speed limit and vehicle inspections from the list of control measures.

Upon roll call vote the following Commissioners voted **Aye: Maples, Bledsoe, Duff and Shaver: (4).**

The following Commissioners voted **Nay: Marcus, Jenkins, Franke, Harold and Miller: (5).**

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the amendment to the motion **Failed: (4-5-1).**

(14)
**EAC
Resolution
Failed**

Upon roll call vote the following Commissioners voted **Aye: Marcus, Jenkins, Franke, Harold and Miller: (5).**

The following Commissioners voted **Nay: Maples, Bledsoe, Duff and Shaver: (4).**

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the motion **Failed: (5-4-1).**

Resolution 030104-J

(15)
**Crossover
Drives
Resolution
Amendment
Approved**

A **motion** was made by **Commissioner Miller** with a second by **Commissioner Franke** to adopt a resolution amending Resolution 020204-E, "*A Resolution Authorizing the Reimbursement of up to \$15,000 to Crossover Drives, Inc. in Sugarlimb Industrial Park for Site Mitigation*".

Upon roll call vote the following Commissioners voted **Aye: Marcus, Jenkins, Maples, Franke, Bledsoe, Duff, Shaver, Harold and Miller: (9).**

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

The following Commissioner was **Absent: Meers: (1).**

Thereupon the Chairman announced the motion **Passed: (9-0-1).**

Resolution 030104-K

(16)
Bonds &
Notaries
Approved

A **motion** was made by **Commissioner Shaver** with a second by **Commissioner Jenkins** to approve the following bonds and notaries:

Bonds:

Deborah R. Baker

Cynthia Chefler

Notaries:

Kari Jett

Beady Wisdom

John Wesley Cooper

Deborah C. Moore

Betty Jean Perry

Deborah R. Baker

Cynthia C. Lefler

Susan Dillard

Glynis C. Moore

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

(17)
Comments:
Non-Agenda
Items

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

Ms. Pat Hunter, Loudon County resident, came forward to speak on air quality in Loudon County and the concerns she has for kids in the area.

Mr. John Boling, Loudon County resident, came forward to speak regarding junk cars and appliances on properties within Loudon County. He further stated that something needed to be done about the air.

Mr. Russ Ellis, Chair of Loudon County Air Quality Task Force, came forward to speak and clarify statements made regarding diesel engines.

Mr. Wayne Gardin, Loudon County resident, came forward to speak supporting enforcement of junk cars and appliances.

(18)
Adjournment

There being no further business, a **motion** being duly made and seconded, the March 01, 2004 meeting stood adjourned at 8:36 p.m.

ATTEST:

Riley S. Wampler
COUNTY CLERK

W. Bledsoe
CHAIRMAN

George M. Miller
COUNTY MAYOR

Exhibit A

LOUDON COUNTY COMMISSION MEETING
MARCH 01, 2004, 6:00 p. m.

My name is Aileen Longmire a citizen and taxpayer in the 1st District of Loudon County.

I wish to address item 6- A- 1 under Loudon County Mayor George Miller. Consideration of adopting resolution appointing Steve Field, Aprell Patterson and John Watkins to the Loudon County Solid Waste Disposal Commission

It was announced last County Commission meeting that Russell Alford 1st District was resigning his position on the LCSWDC. It was stated at the February 23, 2004 County Commission workshop meeting that John Watkins of the 4th District was being presented by 1st District Commissioners Nancy Marcus and David Meers as replacement for Russell Alford, 1st District resident. Steve Field, resident of the 5th District (who by the way has a private unlisted phone number because I have checked the book to call and ask him questions since he was Chairman of the LCSWDC the last meeting I attended). Aprell Patterson is a resident of the 6th District. The Loudon County Class I Landfill is located in the 1st District in the Matlock Bend area. I am concerned that the 1st District is losing representation and voices on the Loudon County Solid Waste Disposal Commission. There are very capable people that live in this area (1st District) and are willing to serve on this Commission that have vested interests like homes and rely on well water. In my opinion, someone that has a landfill in their door or neighborhood is going to commit more time and energy to this appointment than someone that lives at the other end of the County. Promises have been well documented over the years from County Commission to 1st District residents that they will help us with this landfill situation, that it would always be for Loudon county garbage only and not become the dump of the Southeast. I feel we need more representation on this Commission not less.

Item 6-C-1

Loudon County Planning and Community Development ---Russ Newman
and Loudon County Building Commissioner---Leo Bradshaw

Consideration of adopting a resolution adopting the 2000 International Building Code for Loudon County Tennessee pursuant to TCA Section 5-20-101 through 5-20-103

I oppose the passing of this resolution. I consider it to be another form of taxation on the people of this county. I believe it could end up being costly to taxpayers (lawsuits, etc.). There is a possibility it will exempt Tellico Village and other unincorporated areas of the County and I think that is unfair and not equal to all of Loudon County citizens.

6-E-1

Consideration of adopting resolution committing Loudon County to certain control measures to comply with Early Action Compact---Don Miller

I oppose the passing of this resolution. I believe this a form of tax on the people of Loudon County. Citizens are being asked to step up to the plate and make concessions with our vehicle emissions that can end up being inconvenient and costly. My question is why are companies and industries not being asked to lower their emissions in Loudon County under this resolution? Why are citizens and taxpayers being asked to sacrifice and not the business community? The larger emissions are coming from the industries. I think they should be asked to clean up their emissions first!

I am presenting my comments in writing to be made a part of the official minutes and record of this meeting.

Thank you,

Aileen Longmire March 1, 2004

Aileen Longmire

**Commission Miller's Resolution on Early Action Compacts
The Citizen-Paid Pollution Take out - The Du Pont/Staley Put Back
Rationalizations & Responses**

- * "The amounts of ozone-causing pollutants from Du Pont/Staley's permit application are relatively insignificant."
 - If these amounts are unimportant, why saddle us Loudon citizens with all of the vehicle inspections & repairs. The amount you are taking out with all of our inspections & repairs is **less** than these so-called "insignificant" amounts that the permit lets Du Pont/Staley put back in. Why should you put us citizens through all these inspections & repairs if the amounts are "insignificant"?
 - If it is just a matter of "everyone is expected to do something" to show everyone is doing their part, why should industry be exempt from doing their part?
- * "Staley has already had to agree to install equipment to reduce a lot of their ozone-causing releases (though not their other toxic chemicals)."
 - I'm told that Staley must make these other reductions because of another program called SIP call. The fact that one government makes them clean up their act under one program shouldn't give them an exemption from another.
 - In any event, should rent-a-car industries like Hertz or Avis be allowed an exemption from the proposed auto inspections for 10% of their fleet just because they have agreed to clean up 90% of their cars? (Or because they are only 2% of all cars on the road?) Why treat other industries any differently?
- * "All seven counties must have identical resolutions. Other counties resolutions don't deal with "industrial" pollution. If ours is any different, we put the whole Early Action Compact program at risk."
 - The Southern Environmental Law Center advised that the relevant legislation contains absolutely no mention of any kind of "Early Action Compact" program. These are purely - 100% - inventions with no statutory basis whatsoever. If they are finally found to be legal, their only requirements are whatever EPA can be talked into and whatever courts find to be reasonable.
 - So, there is no law restricting what goes into the resolutions: they are totally flexible, and any honest effort toward more pollution reduction should make a proposal more acceptable to EPA. (On the other hand, how would EPA look at simultaneous local government support for permits to industry to put back into the air more than its Resolution's vehicle actions take out?)
 - The whole idea of a "seven-county Compact" underlines the **local** nature of the response. Any further call for additional, local requirements by individual governments reinforces this basic approach.
 - Finally, does anyone seriously believe that any of the local governments would destroy the compact and intentionally impose the harsh restrictions of non-attainment on its own citizens just because another government simply suggested to TDEC/EPA that they look at one additional item?

Exhibit B

Most of you know me. My name is Jim Pope.

I am giving an extra copy of this letter to your secretary and I ask that you record them in your minutes.

The Early Action Compact resolution is just half a loaf. It should not be approved by itself.

I have two concerns. Here is the less personal one. You are talking about charging us citizens for automobile inspections and repairs to remove **less than 100 tons** of one pollutant from the air, but, at the same time you are sweeping under the table a pending permit to allow Staley to put **118 tons** of the exact same pollutant back into the air. This is unfair to the citizens of Loudon County.

I have heard all of the excuses for this. As far as I'm concerned Ron Moore's e-mails to you all explains why all of these excuses are wrong.

But I'll let Ron talk about that - because my other concern is a lot more important to me personally.

The state's air pollution people are working right now on just how much toxic chemicals Staley is putting into the air at my house on Webb Drive. In this process described by Commissioner Miller, you could do something about stopping Staley's proposal to increase the amount of toxic chemicals that the state of Tennessee is measuring in my side yard.

Right now, TDEC is checking figures that, at first sight, look like my yard contains concentrations of one of Staley's toxic chemicals that are more than 10 times EPA's guidelines for cancer risk. Ten times.

And the state is not doing anything about it. They say EPA's "guidelines" are not specifically-mandated federal "standards."

But under this process Commissioner Miller is proposing, the State and EPA could look at this and could do something about it if they are notified & asked to intervene.

So, I am asking you not to approve Commissioner Miller's resolution until you first approve tonight some separate action **starting** the process of asking the state & EPA to consider including three additional requirements in their Early Action Compact conditions.

1. Don't grant Du Pont/Staley permits to be putting more of the same pollutant back into the air at the same time motorists are be charged to take it out.
2. Don't grant Du Pont/Staley permits to be emitting more of the toxic chemical already being measured in my yard on Webb Drive.
3. Require chemical monitors on top of all schools within reasonable range of the Staley plant and require Staley and any other industry within reasonable range of the schools to reduce emissions of any toxic chemical when its readings on a school monitor don't meet EPA guidelines.

I don't want to continue breathing air at my house apparently contaminated more than 10 times beyond EPA cancer risk limits.

I don't want to be told that you're sorry but this is a Loudon City problem and you just can't protect the citizens of Loudon County.

12 days ago, your Air Quality Task Force faced this same issue. They voted to just look the other way.

I am asking you here tonight not to look the other way.

Exhibit C

1

Comments to Loudon County Commission, on the proposed Draft Early Action Compact Submitted by the undersigned organization March 1, 2004, Request this be made a part of the official record and Minutes.

On behalf of Clean Air Friends, Clear Air Kids, Inc., I strongly urge Loudon County Commission not to approve the Early Action Compact Resolution in its present form. The Early Action Compact (EAC) is struggling to meet the new 8-hour ozone plan. The EAC Plan is seriously flawed and it is doubtful this plan will help reduce emissions to meet new 8-hour standards.

EPA data has identified NOx sources within Loudon County as follows:

- Coal industrial use 29% (est.)
- Diesel highway use 25% (est.) [**40% includes diesel highway/non-road use**]
- Non-road diesel 15% (est.)
- Highway gas 18% (est.)
- Highway light duty trucks 8% (est.)
- Highway heavy-duty trucks 3% (est.) [**29% includes all highway use**]

The poor air quality of Loudon County requires aggressive action by local, state and federal governments. The EAC plan fails to properly address the NOx source of problems with effective emission reduction plans while also ignoring the New Source Review. The EAC Plan does not offer specifics such as:

1. Current EPA data has identified **Fuel Coal Industrial** in Loudon County as a significant source, and a major contributor to NOx, which adds to the ozone problem. My understanding "reasonable achievable control technology" as outlined in the EAC Loudon County plan is the least stringent. Which begs the question, why isn't the EAC Plan requiring the Best Achievable Control Technology (BACT) to

reduce air emissions and **not** the least stringent air emission control measure. A lower emission control measure is not best suited to address this serious air pollution problem as the EAC plan proposes. We do not know what air emission reductions would be achieved if any.

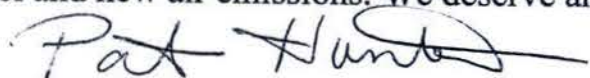
2. EPA data identified **non-road diesel sources at 15%** of the NOx problem in Loudon County. Non-road diesel at 15% ranks almost as high as Highway gas use at 19%. Why does the EAC plan recommend mandatory vehicle emission testing to lower this source while not specifying how non-road diesel emissions will be lowered? Diesel emissions contribute to 40% of Loudon County's overall NOx problem and this **cannot and should** not be ignored.

[As a point of information, the vehicle inspection plan in middle Tennessee exempts motorcycles and diesel fueled vehicles.]

3. **Thirty-five (35) Tons of New Air Emissions** are proposed with the DuPont/Staley joint venture expansion. Citizens will be asked to make sacrifices with mandatory auto tail-pipe emission testing while allowing an expansion to introduce **more emissions** into the air. The proposed Staley/DuPont construction permit of increasing air emissions is contrary to lowering air pollutant emissions in Loudon County. Why has the EAC Plan ignored this proposed new air emission source? As a matter of record, over 3400 names were collected on petitions requesting local and state governments and plant owners to lower toxic industrial emissions.

I would like to see a show of hands. Who in this room supports allowing industry to pollute the air that we must breathe at the expense and detriment of our citizens and our children's health and future? Please review this EAC Plan that does not properly address lowering 69% of NOx emissions stemming from coal industrial use and all diesel sources including highway/non-road use with specific measures and plans. Emission testing of

vehicles will not alone solve the long-term air pollution problems. Please do not rubber stamp a plan that will not solve our county's dirty air problem. For the sake of our community's health and our children's future, do not approve the proposed EAC Plan. Please respond to the three preceding issues concerning industrial fuel coal, non-road diesel and new air emissions. We deserve an answer.



Clean Air Friends – Clear Air Kids, Inc.

LOUDON COUNTY COMMISSION

RESOLUTION 030104-D

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

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

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

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

**LOUDON COUNTY SOLID
WASTE DISPOSAL COMMISSION**

<u>Appointee</u>	<u>Term Expiration</u>
<u>Panel B</u>	
John D. Watkins (replacing Russell Alford)	March 2006
<u>Panel C</u>	
Aprell Patterson	March 2007
Steve Field	March 2007

NOW, THEREFORE, BE IT RESOLVED that the Loudon County Commission meeting in regular session assembled this 1st day of March, 2004 hereby approves and acknowledges (as appropriate), the said appointment.


COUNTY CHAIRMAN

ATTEST:

COUNTY CLERK


COUNTY MAYOR

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

<u>Appointee</u>	<u>Term Expiration</u>
<u>Panel A</u>	
Robert Phillips (Lenoir City)	March 2005
Robert Harrison (Loudon)	March 2005
Ted Sitzlar	March 2005
<u>Panel B</u>	
Bill Waldrop	March 2006

Resolution 030104-E

**Resolution Suspending Resolution 030600-F,
"Resolution Establishing the Loudon County Animal Control Authority"**

WHEREAS, on March 06, 2000, the Loudon County Commission adopted Resolution 030600-F, "Resolution Establishing the Loudon County Animal Control Authority" (LCACA); and

WHEREAS, during the four (4) years of managing the animal shelter under the LCACA, operations of the shelter have encountered many problems; and

WHEREAS, legal counsel has recommended that the board's structure be reviewed and possibly altered; and

WHEREAS, it is desirable for the shelter employees, the welfare of the animals and the residents of Loudon County that the shelter continue to function without interruption.

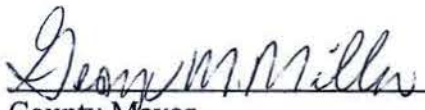
NOW THEREFORE BE IT RESOLVED, by the Loudon County Commission, meeting in regular session assembled this 1st day of March, 2004, that Resolution 030600-F be suspended for ninety (90) days and interim administration of the animal shelter be under the County Mayor until a recommendation is made by a three member ad hoc committee (Animal Shelter Operations Study Committee).

BE IT FURTHER RESOLVED that the Animal Shelter Operations Study Committee's duties will be to study the past and present operation of the animal shelter and other animal shelters and make recommendations as to what type of structure in which the shelter should be operated, including whether a board is needed and, if so, how it should be set up and what its authority should be.


County Chairman

Attest:

County Clerk


County Mayor

Resolution 030104-F

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$5,250,000) 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, the Loudon County, Tennessee (the "County") has issued its outstanding General Obligation Public Improvement Bonds, Series 1999, dated December 1, 1999, maturing April 1, 2010 and thereafter (the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds, or a portion thereof, as shall be determined by the County Mayor, 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, including converting outstanding notes to bonds; 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 general obligation 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 \$5,250,000 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) "Bonds" means not to exceed \$5,250,000 General Obligation Refunding Bonds, Series 2004 of the County, to be dated the date of issuance thereof, or such other date as shall be determined by the County pursuant to Section 8 hereof;

(b) "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;

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

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

(e) "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;

(f) "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;

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

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

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

(j) "Outstanding Bonds" means maturities designated by the County Mayor, in consultation with the Underwriter, which achieve cost savings objectives of the County of the County's outstanding General Obligation Public Improvement Bonds, Series 1999, dated December 1, 1999, maturing April 1, 2010 and thereafter;

(k) "Refunding Escrow Agreement" shall mean the Refunding Escrow Agreement, dated as of the date of the Bonds, to be entered into by and between the County and the Escrow Agent, in the form of the document attached hereto and incorporated herein by this reference as Exhibit A, subject to such changes therein as shall be permitted by Section 11 hereof;

(l) "Registration Agent" means the registration and paying agent for the Bonds appointed by the County Mayor 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

(m) "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 \$5,250,000. The Bonds shall be issued in fully registered, book-entry only form, without coupons, shall be known as "General Obligation Refunding Bonds, Series 2004" and shall be dated the date of issuance thereof, or such other dated date as shall be determined by the County Mayor pursuant to Section 8 hereof. The true interest rate on the Bonds shall not exceed six and one-half percent (6.50%) per annum. Subject to the adjustments permitted pursuant to Section 8 hereof, interest on the Bonds shall be payable semi-annually on April 1 and October 1 in each year, commencing October 1, 2004. 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 April 1, 2010 and continuing on the first day of April 1 of each year thereafter through and including April 1, 2020, 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) Subject to adjustments permitted pursuant to Section 8 hereof, Bonds maturing April 1, 2005 through April 1, 2013 shall mature without option of prior redemption. Bonds maturing on April 1, 2014 and thereafter shall be subject to redemption prior to maturity at the option of the County on April 1, 2013 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. 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 Mayor 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 Mayor. 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 Mayor 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 Mayor 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 Mayor 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 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:

REGISTERED
\$

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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 is one maturing April 1, 2005 through April 1, 2013, inclusive, shall mature without option of prior redemption. Bonds maturing on April 1, 2014, and thereafter shall be subject to redemption prior to maturity at the option of the County on or after April 1, 2013 as a whole or in part at any time at the price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County 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 \$5,250,000 and issued by the County for the purpose of providing funds to refund the County's outstanding General Obligation Public Improvement Bonds, Series 1999, dated December 1, 1999, maturing April 1, 2010 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 County Commission of the County on the 1st day of March, 2004 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the territorial 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 Mayor 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 Mayor

(SEAL)

ATTESTED:

R. D. Wampler
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 territorial 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.

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 Mayor. The County Mayor is authorized to sell the Bonds at a negotiated sale to the Underwriter. The true interest rate of the Bonds shall not exceed six and one-half percent (6.50%) per annum. The sale of the Bonds by the County Mayor 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 Mayor, 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 change the County's optional redemption provisions of the Bonds, provided the redemption premium, if any 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 the date of issuance thereof, 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 April 1, 2010 and the final maturity date is not later than April 1, 2021, and to decrease the total amount authorized to be issued herein so long as the total amount of the Bonds does not exceed \$5,250,000 all such adjustments shall maximize the cost savings objectives of refunding of the Outstanding Bonds.

(c) The County Mayor 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.

(d) The County Mayor 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 Mayor provided the terms of such bond purchase agreement are not inconsistent with the terms of this Resolution.

(e) The County Mayor 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 Mayor 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, if any, 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; 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 Mayor 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 Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the County Mayor 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 Mayor and 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 Mayor 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 Mayor is hereby authorized and directed to execute and the County Clerk to attest on behalf of the County the Refunding

Escrow Agreement with the Escrow Agent and to deposit with the Escrow Agent the amounts to be used by the Escrow Agent to purchase Government Securities 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 form of the Refunding Escrow Agreement presented to this meeting and attached hereto as Exhibit A is hereby in all respects approved and the County Mayor and the County Clerk are hereby authorized and directed to execute and deliver same on behalf of the County in substantially the form thereof presented to this meeting, or with such changes as may be approved by the County Mayor and the County Clerk, their execution thereof to constitute conclusive evidence of their approval of all such changes, including modifications to the Refunding Escrow Agreement. 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.

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 Mayor 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 Mayor 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. Qualified Tax-Exempt Obligations. To the extent permitted by law, the Bonds shall be deemed to be "qualified tax-exempt obligations," within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended to the fullest extent permitted thereunder. To the extent not so deemed, as described above, the County Mayor is authorize to designate any series of the Bonds as such "qualified tax-exempt obligations" to the extent permitted by law.

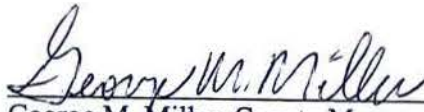
SECTION 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner 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. 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 Loudon County, Tennessee, requiring it.

Adopted and approved this 1st day of March, 2004.


George M. Miller, County Mayor

ATTEST:


Riley D. Wampler, 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 March 1, 2004; 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 \$5,250,000 General Obligation Refunding Bonds, Series 2004 of said County.

WITNESS my official signature and seal of said County this 3 day of May, 2004.


County Clerk

Resolution 030104-G

A RESOLUTION AUTHORIZING LOUDON COUNTY, TENNESSEE TO ESTABLISH A POLICY FOR STATE AND FEDERAL GRANT REVIEW AND APPROVAL

WHEREAS, funding assistance made available by State or Federal agencies is desirable and beneficial for projects in Loudon County, Tennessee;

WHEREAS, the Board of Loudon County Commissioners of Loudon County, Tennessee authorizes all appropriations for the purpose of meeting the expenses of the various funds, departments, institutions, offices and agencies of Loudon County, Tennessee ;

WHEREAS, all requested amendments to the budget are approved by the Board of Loudon County Commissioners of Loudon County, Tennessee;

WHEREAS, the Board of Loudon County Commissioners of Loudon County, Tennessee appoints various committees to assist in making recommendations for legal actions by the Board of Loudon County Commissioners of Loudon County, Tennessee, one such committee being the Loudon County Budget Committee;

WHEREAS, the function of the Loudon County Budget Committee is to review all requests involving funding, budget amendments and capital outlay for all departments, institutions, offices and agencies of Loudon County, Tennessee, and forward recommendations to approve or deny said requests to the Board of Loudon County Commissioners of Loudon County, Tennessee;

BE IT RESOLVED, by the Board of County Commissioners of Loudon County, Tennessee, that all departments, institutions, offices and agencies of Loudon County, Tennessee desiring to seek State or Federal funding assistance in compliance with the guidelines of the specific State or Federal Agency, are required to present the following to the Loudon County Budget Committee ***prior*** to submittal of grant application:

1. Description of the grant and its' purpose;
2. Project summary;
3. Scope of services;
4. Grant award;
5. Required local matching funds, if applicable;
6. Projected budget;
7. Method(s) of evaluation; and
8. Any additional information deemed necessary by the Budget Committee for review.

BE IT FURTHER RESOLVED, that all departments, institutions, offices and agencies of Loudon County, Tennessee receiving State or Federal funding assistance are required to submit the following to the Loudon County Grants Administrator in the Loudon County Department of Finance Administration:

1. Copy of the grant application;
2. Copies of correspondence with the granting agency;
3. Requisitions for purchases;
4. Original invoices for disbursement;
5. Copies of Progress Reports, if applicable;
6. Any additional requested information deemed necessary for the accurate monitoring of funds.

BE IT FINALLY RESOLVED, that this Resolution shall take effect from and after its passage and its provisions shall be in force from and after _____. This Resolution shall be spread upon the minutes of the Board of County Commissioners of Loudon County, Tennessee.

Exhibit H

LOUDON COUNTY HIGHWAY DEPARTMENT

BUDGET AMENDMENTS

February 23, 2004

<u>ACCOUNT NO.131</u>	<u>DB</u>	<u>CR.</u>
39000 Fund Balance	37,600.00	
62000-403 Asphalt - Cold Mix		10,000.00
63100-353 Tow-In-Service		600.00
63100-433 Lubricants		1,000.00
63100-499 Other Supplies/Materials		5,000.00
65000-451 Uniforms		1,000.00
66000-204 State Retirement		5,000.00
66000-207 Medical Insurance		15,000.00
61000-714 Highway Equipment	2,500.00	
61000-719 Office Equipment		2,500.00



Don Palmer
Road Superintendent
Loudon County Highway Department

RESOLUTION 030104-I

**A RESOLUTION TO URGE THE GENERAL ASSEMBLY TO ENACT
LEGISLATION TO ALLOW COUNTIES THE OPTION TO SELECT A
DIRECTOR OF SCHOOLS BY ELECTION OR APPOINTMENT**

WHEREAS, the director of schools holds a highly significant and important position in communities in Tennessee; and

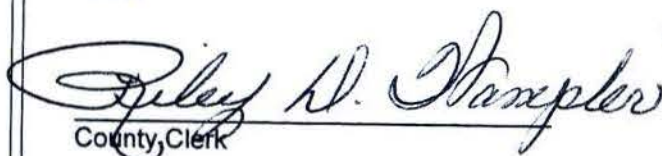
WHEREAS, the current law allows only for the selection of a person to fill this position by appointment by the local board of education; and

WHEREAS, in many counties, there is a desire for such position to be filled by election by the registered voters of the county.

NOW THEREFORE, BE IT RESOLVED by the Loudon County Commission, meeting in regular session this 1st day of March, 2004, that the Tennessee General Assembly is strongly urged to pass legislation amending Title 49 as appropriate to authorize a local referendum to determine for each county whether the director of schools should be appointed by the board of education or chosen by the voters of the county.

BE IT FURTHER RESOLVED, that the county clerk shall mail certified copies of this resolution to the members of the Tennessee General Assembly representing the people of Loudon County.

Attest:


County Clerk


County Chairman


County Mayor

**Resolution Committing Loudon County to Certain Control
Measures to Comply with Early Action Compact**

Whereas, on July 18, 1997, the U.S. Environmental Protection Agency (EPA) revised the national standard for ground-level ozone from a 0.12 ppm (parts per million) 1-hour "peak" standard to a 0.08 ppm 8-hour "average" standard; and

Whereas, currently, all areas of Tennessee attain (meet) all national ambient air quality standards (NAAQS), including the 1-hour ozone standard. However, when implemented, the 8-hour ozone standard could result in a number of areas of the State being determined not to meet the 8-hour standard and being designated as non-attainment for ground-level ozone; and

Whereas, when the non-attainment designation occurs, the State must recommend to EPA the boundaries of the areas that are not in compliance with the ground-level ozone standard, and must submit a plan to EPA that demonstrates how the State will bring those areas back into attainment; and

Whereas, the EPA may grant deferral of non-attainment status if local governments commit to taking steps in the form of an Early Action Compact (EAC) to reduce ozone levels; and

Whereas, Loudon County has joined with six (6) neighboring counties within East Tennessee to form an EAC with the EPA; and

Whereas, the EAC serves as a Memorandum of Agreement (MOA) among government agencies representing, collectively, local governments, state governments, including the Tennessee Air Pollution Control Board (TAPCB), and EPA; and

Whereas, the EAC requires the development of an early action plan that includes all necessary elements of a comprehensive air quality plan, but is tailored to local needs and driven by local decisions; and

Whereas, under these guidelines and in compliance with EPA EAC regulations, Loudon County hereby commits to the following measures:

1. To adopt the "Knoxville area EAC Control Scenarios Loudon County Portion dated 02/09/04" attached as Exhibit A.
2. Enforcement of banning open burning in Loudon County on Air Quality Action Days.
3. Loudon County Government to use fuel efficient vehicles where appropriate.

Now Therefore, Be It Resolved, by the Loudon County Commission, assembled this ~~10th~~ day of March, 2004, that this resolution and attachment be adopted and submitted to TDEC for approval.

Attest:

County Chairman

County Clerk

County Mayor

DENIED

Knoxville Area EAC Control Scenarios Loudon County Portion

2/9/04

Regulated by the State of Tennessee

- Loudon County would support a statewide vehicle inspection program for gasoline and diesel vehicles.
- Loudon County would support statewide Stage 1 vapor controls at gas stations. Stage 1 vapor controls pertain to vapor balancing during the loading process between the tanker truck and the underground storage tank at the gas station.
- Loudon County would support statewide Anti-idling Legislation. This legislation would prevent semis from idling both at the rest stops and along the interstates. It could be applied to school buses idling needlessly during startups and eliminate the buses from pulling up to the schools and idling until the students were on board.
- Loudon County would support the statewide enforcement of vehicle tampering. Vehicles are considered to be tampered with if the emission control devices (catalytic converters) have been altered or removed. It has been federally illegal to tamper with these devices for some time, but active enforcement has not occurred.
- Loudon County highly supports the reduction of speed limits to 55 mph for trucks on the interstate system. Changes to the speed limits on interstates and state roads would need to be changed by TDOT.
- Loudon County would support the Reasonably Achievable Control Technology (RACT) rules should the State Air Pollution Control Board adopt them. The rules would require the installation of low NOx combustion controls

such as low NOx burners or flue gas recirculation, and fuel additives at industrial facilities emitting 50 tons per year or more of NOx. The potential sources subject to this regulation in its present form would be A.E. Staley, Viskase, and Kimberly-Clark/Trigen. The Tennessee Department of Environment and Conservation would regulate this program after passage by the State Air Pollution Control Board.

Regulated by Loudon County

- Loudon County will institute a ban on open burning on Air Quality Action Days

Voluntary Programs Supported by Loudon County

- Loudon County would support Truck Stop Electrification. This system gives professional long-haul truck drivers an alternative to the traditional practice of idling their engines to provide heating and cooling in the truck cab, and to power various appliances and accessories in the cab during mandated rest periods. The system allows drivers to park in the equipped parking space, snap the module into the passenger window, and swipe a fleet card or credit card to access a range of services that improves their rest and lifestyle. Costs of standard services for fleets with a signed contract with the vendor is \$1.25 per hour, less than the cost of diesel to idle for the same period.
- Loudon County will participate in the Air Quality Outreach and Action Day Program, currently being developed by the Regional Clean Air Coalition, an organization of 11 counties in East Tennessee actively working to bring cleaner air to the East Tennessee area. This program

centers on public education about the sources, causes and solutions to air pollution. Educational programs will be developed for use in a variety of settings ranging from the classroom to an industrial setting. Change can be made through education. The action day program uses air monitoring data generated locally through air monitors located throughout the counties and disseminated to the regional media to broadcast daily "air quality alerts". The data is polled at certain times each day and used in conjunction with local meteorological data to issue daily air quality forecasts. The forecasts are presently prepared free by the State of Tennessee. The data is uploaded to EPA and presented on a national website (www.epa.gov/airnow) accessible to anyone who wants to be included. The program will have a plan in place by May 2004 where local media (radio, TV and newspapers) will provide the data to their listeners, viewers and readers. In this manner the public can make informed decisions regarding their daily behaviors. Their choices would include various things that can be done to reduce air pollution.

- Loudon County will commit to the use of fuel efficient vehicles as some replacements to its fleet. This will be accomplished as the opportunity arises and funding permits.
- Loudon County will promote and support efforts to convert the Highway 321/Highway 11 intersection from an "at grade intersection" to an "above grade intersection". This will eliminate lengthy traffic backups and reduce idling and VOC and NOx emissions from motor vehicles.

RESOLUTION 020204-K

**A RESOLUTION AUTHORIZING THE REIMBURSEMENT OF UP
TO \$15,000 TO CROSSOVER DRIVES, INC. IN SUGARLIMB
INDUSTRIAL PARK FOR SITE MITIGATION**

Whereas, Crossover Drives, Inc. purchased a 4.89 acre tract of land on Natalie Blvd. within the Sugarlimb Industrial Park, referenced by County Tax Map 33, Parcel 5.0 on September 4, 2003; and

Whereas, Crossover Drives, Inc. is currently constructing a manufacturing operation at the above site and during site grading the contractor experienced substantial non indigenous soils not suitable for compaction, and

Whereas, neither the County/City nor Crossover Drives, Inc. were aware of said unsuitable soil conditions prior to excavation; and

Whereas, the owner has determined that the most economical corrective measure involves construction of substantial foundations to support the structure that is estimated to cost \$15,000 to \$30,000; and

Whereas, the Loudon County Economic Development Agency Board of Directors, Blair Bend/Sugarlimb Committee and the City of Loudon have voted to reimburse owner for expenses not to exceed \$15,000.

Now, Therefore, Be It Resolved, that the Loudon County Commission does hereby authorize the City of Loudon to reimburse Crossover Drives up to \$15,000 from the Sugarlimb Park Fund after the company begins the placement of concrete for the foundation.

Be, It Finally Resolved that this Resolution shall take affect immediately, this the 2nd day of February 2004.

Attest:


County Clerk


County Chairman


County Mayor