

COUNTY COMMISSION - ADJOURNED

SESSION

NOVEMBER 23, 1998

BE IT REMEMBERED THAT:

COUNTY COMMISSION MET PURSUANT TO ADJOURNMENT IN ADJOURNED SESSION OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS THIS MONDAY MORNING, NOVEMBER 23, 1998, 9:00 A.M. IN BLOUNTVILLE, TENNESSEE. PRESENT AND PRESIDING WAS HONORABLE GIL HODGES, COUNTY EXECUTIVE, JEANIE F. GAMMON, COUNTY CLERK AND WAYNE ANDERSON, SHERIFF OF SAID BOARD OF COMMISSIONERS.

TO WIT:

The Commission was called to order by County Executive, Gil Hodges. Sheriff Wayne Anderson opened the commission and Commissioner Dennis Houser gave the invocation. Pledge to the flag was led by County Executive, Gil Hodges.

Commissioners present and answering roll call are as follows:

CAROL J. BELCHER

BRYAN K. BOYD

FRED CHILDRESS

MIKE GONCE

DENNIS HOUSER

SAMUEL JONES

JAMES "BUDDY" KING

DWIGHT MASON

WAYNE MCCONNELL

RANDY MORRELL

ARCHIE PIERCE

MARK A VANCE

JAMES R. "JIM" BLALOCK

JUNE CARTER

O. W. FERGUSON

RALPH HARR

MARVIN HYATT

ELLIOTT KILGORE

JAMES L. KING, JR.

GARY MAYES (WAS NOT PRESENT FOR ROLL CALL
BUT CAME IN BEFORE LUNCH)

PAUL MILHORN

HOWARD PATRICK

MICHAEL B. SURGENOR

EDDIE WILLIAM

24 PRESENT # ABSENT

PUBLIC COMMENTS:

In the Public Comments session of County Commission, those speaking were Bobby Goodson on conditions at the jail, Tom Cuthill, Lewis Laughlin against placement of the Ten Commandments Plaque, Hubert Christian on the need of a traffic light at Central High School, and Jerry Dykes.

BE IT RESOLVED that Commissioner Bryan K. Boyd asked to change his vote from aye to nay on Resolution Number Four of the October 19, 1998 Commission Meeting. Roll call vote was taken and his request failed with 13 aye, 5 nay, 5 pass and 1 absent votes.

Motion was made by Commissioner Vance and seconded by Commissioner Hyatt to approve the minutes of the Regular Session of County Commission held on October 19, 1998. Motion was approved by voice vote.

The following pages indicates the action taken by the Commission on re-zoning requests, approval of notary applications and personal surety notary bonds, motions, resolutions and other matters subject to the approval of the Board of Commissioners.

STATE OF TENNESSEE
 COUNTY OF SULLIVAN
 ELECTION OF NOTARIES
 OCTOBER 19, 1998

Michelle A. Adkins	Pamela J. Houser	Charles Fritts
Cynthia Bales	Lynn S. James	Keith Justis
Deborah A. Barker	Rhonda R. Jayne	Sharon Kilgore
John A. A. Bellamy	Tina Jones	
Connie F. Black	Kathy J. King	
JOHN F. Bolling	Barbara Y. Light	
Ettie D. Brockley	Charlotte Martin	
Meghan M. Carr	Rebecca C. Messer	
Jane F. Cartwright	James S. Montgomery	UPON MOTION MADE BY COMM. HARR AND SECONDED BY COMM. MILHORN TO APPROVE THE NOTARY APPLICANTS HEREON, SAID MOTION WAS APPROVED BY ROLL CALL VOTE OF THE COMMISSION.
Wanda F. Carver	Paul A. Morrell	
Angie Cowden	Helen E. Morrison	
Jason D. Curtis	Velda P. Noel	
Mark S. Dessauer	Linda S. Oney	
Philip M. Dorrah		
Linda Kay Evans	Janet Phipps	
Joyce Phillips Fleenor	Sherry Roberts	
Teresa J. Fuller	Sheila R. Shelton	
Clell Gamble	Catherine M. Siksay	
Frank D. Gibson	Earl W. Simpson, Jr.	
Ruth Jones Greiner	Wm. D. Stacy	
Belva B. Hale	Guyton O. Terry, III	
Martha L. Haywood	Tracy F. Tittle	
Karen Hendry	Tim Trent	
Gloria Hobbs	John D. Vance	
Tami L. Hobbs	Amy L. Wells	

STATE OF TENNESSEE
COUNTY OF SULLIVAN

APPROVAL OF NOTARY
PUBLIC SURETY BONDS

NOVEMBER 23, 1998

Lisa Newsome Arnold
Cathy L. Childress
Deborah L. Corns
Terry M. Cumbow
Deborah L. Davis
Gregory W. Francisco
Mary Lee Glover
Larry D. Harris
Michelle S. Hatley
Cynthia L. Huddleston
Shelton B. Hillman, Jr.
Charles W. Howell
Georgia M. Kiser
Nancy N. Smith

Upon motion made by Commissioner Harr and seconded by Commissioner Milhorn to approve the Notary Bonds of the above named individuals, said motion was approved by roll call vote of the Commission.

24 AYE

RESOLUTION NUMBER 1

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING The Sullivan County Board of Commissioners to Consider Amendments to the Sullivan County Zoning Resolution as Amended

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT WHEREAS, The attached rezoning petitions have been duly initiated, have been before the Planning Commission (recommendations enclosed), and have received a public hearing as required; and

WHEREAS, Such rezoning petitions will require an amendment to the Sullivan County Zoning Resolution;

NOW THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners consider the attached rezoning petitions and vote upon the proposed amendments, individually or otherwise at the discretion of the Commission, by roll call vote and that the vote be valid and binding and that any necessary amendments to the official zoning map be made so.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 19 98

Presented: J. Hammen Date: 11/23/98 _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER Belcher ESTIMATED COST: _____
SECONDED BY COMMISSIONER Ferguson FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call					
Voice Vote	x				

COMMENTS: Motion made by Comm. harr and seconded by Comm. Vance to approve APPROVED 11/23/98 VOICE VOTE

SULLIVAN COUNTY BOARD OF COUNTY COMMISSIONERS

November 23, 1998

Consider the following:

- (1) **File # 8/98-2** A request by Robert Bunn to rezone the property described below from R-1 to B-3: REQUEST DENIED 11/23/98 ROLL CALL 1 AYE, 21 NAY, 1 PASS, 1 ABSENT

"Being a tract of land located in the 5th Civil District on the west side of Clark Cemetery Road at its intersection with Stage Coach Trail and further described as parcel 106.00 map 36 of the Sullivan County Tax Maps."

The Planning Commission took the following action:

" File No. 8/98-2, Robert Bunn Request

Robert Bunn requested that a tract of land located in the 5th Civil District on the west side of Clark Cemetery Road at its intersection with Stage Coach Trail be rezoned from R-1 to B-3 to permit the location of mini storage buildings.

The applicant was present and spoke. Steve Williams and Charles Young spoke in opposition and presented a 32 name petition noting that the request was not compatible with surrounding residential development, would decrease property values and increase dangerous traffic conditions. Staff stated the request was not compatible with adjacent predominate zoning and land use and recommended it be denied.

Motion Childress, second S. Barnes to deny the request. Vote in favor of the motion unanimous.

- (2) **File # 9/98-2** A request by James Cunningham to rezone the property described below from R-1 to B-3: REQUEST DENIED 11/23/98 ROLL CALL 23 NAY, 1 ABSENT

"Being a tract of land located in the 5th Civil District on the south side of Meadowview Rd. approximately 250 feet south of its intersection with Walnut Hill Rd and further described as parcel 76.00 map 19 of the Sullivan County Tax Maps."

The Planning Commission took the following action:

" File No. 9/98-2, James Cunningham Request

James Cunningham requested that a tract of land located in the 5th Civil District on the south side of Meadowview Rd. approximately 250 feet south of its intersection with Walnut Hill Rd. be rezoned from R-1 to B-3 to permit the location of an auto repair shop.

The applicant was present. Ken Hale and David Werner spoke in opposition noting that the zoning would be intrusive, create dangerous traffic problems and decrease residential property values. Staff stated the proposed zoning was incompatible with existing zoning and land use patterns and recommended it be denied.

Motion Brown, second S. Barnes to deny the request based on comments of the opposition and staff recommendation. Vote in favor of the motion unanimous.

- (3) **File # 10/98-2** A request by Isabel Taylor to rezone the property described below from A-1 to B-3: REQUEST APPROVED 11/23/98 ROLL CALL 23 AYE, 1 ABSENT

"Being a tract of land located in the 15th Civil District on the north side of Wilcox Drive at its intersection with Baileyton Road and further described as that part of parcel 25.00 map 117 of the Sullivan County Tax Maps adjacent to the southwesterly boundary of parcel 24.00 being 200 feet in depth with a road frontage of 210 feet."

The Planning Commission took the following action:

" File No. 10/98-2, Isabel Taylor Request

Isabel Taylor requested that a tract of land located in the 15th Civil District on the north side of Wilcox Drive at its intersection with Baileyton Road be rezoned from A-1 to B-3 to permit the location of used car sales.

The applicant was present. No opposition was presented. Staff stated the request was compatible with existing land use and zoning and recommended approval.

Motion Childress, second H. Barnes to approve the request as recommended by staff. Vote in favor of the motion unanimous.

- (4) File # 10/98-4 A request by Jessie Sampson to rezone the property described below from R-1 to R-2:
REQUEST TO RETURN TO PLANNING COMMISSION 11/23/98

"Being a tract of land located in the 6th Civil District on the north side of Harrtown Road approximately 800 feet east of its intersection with Lester Road and further described as parcel 162.00 map 33 of the Sullivan County Tax Maps."

The Planning Commission took the following action:

" File No. 10/98-4, Jessie Sampson Request

Jessie Sampson requested that a tract of land located in the 6th Civil District on the north side of Harrtown Road approximately 800 feet east of its intersection with Lester Road be rezoned from R-1 to R-2 to permit the location of a single-wide mobile home.

The applicant was present. Staff reported 1 phone call in opposition to the request alleging a negative impact on residential property values. Staff stated the request was not compatible with predominate land use and zoning patterns in the immediate neighborhood and recommended the request be denied.

Motion Childress, second S. Barnes to deny the request based on staff recommendation. Vote in favor of the motion: Childress, S. Barnes, Brown, H. Barnes; opposed Belcher, Boggs. The motion carried 4 to 2

- (5) File # 10/98-5 A request by William Snapp to rezone the property described below from B-3 to R-2:

REQUEST APPROVED 11/23/98 ROLL CALL 23 AYE, 1 ABSENT

"Being a tract of land located in the 6th Civil District on the north side of Bluff Road approximately 300 feet west of its intersection with Lester Road and further described as the westernmost portion of parcel 57.00 with a road frontage of 244.28 feet and a rear property line 249.83 in length map 33 of the Sullivan County Tax Maps."

The Planning Commission took the following action:

" File No. 10/98-5, William Snapp Request

William Snapp requested that a tract of land located in the 6th Civil District on the north side of Bluff Road approximately 300 feet west of its intersection with Lester Road be rezoned from B-3 to R-2 to permit the location of a single-wide mobile home.

The applicant was present. No opposition was presented. Staff stated the request was compatible with existing mixed zoning and land use and recommended approval.

Motion Belcher, second H. Barnes to approve the request as recommended by staff. Vote in favor of the motion unanimous.

- (6) File # 10/98-6 A request by J.R. Birdwell to rezone the property described below from PBD to B-4:

REQUEST APPROVED 11/23/98 ROLL CALL 19 AYE, 3 NAY, 1 ABSENT, 1 PASS

"Being a tract of land located in the 14th Civil District on the north side of Ft. Henry Drive at its intersection with Riverview Dr and further described as parcel 3.00 map 92 of the Sullivan County Tax Maps."

The Planning Commission took the following action:

" File No. 10/98-6, J.R. Birdwell Request

J.R. Birdwell requested that a tract of land located in the 14th Civil District on the north side of Ft. Henry Drive at its intersection with Riverview Dr. be rezoned from PHD to B 4 to permit the location of smaller setbacks.

The applicant was present and spoke in support of the request. No opposition was presented. Staff stated that site plan review procedures required by existing PHD zoning was important to control development along Fort Henry Drive and recommended the request be denied.

Motion H. Barnes, second Brown to deny the request as recommended by staff. Vote in favor of the motion H. Barnes, Brown, S. Barnes, Childress, Belcher; opposed: Boggs. The motion carried 5 to 1.

(7) File # 10/98-8 A request by Ben and Joann Johnson to rezone the property described below from R-1 to R-2:

REQUEST APPROVED 11/23/98 ROLL CALL 23 AYE, 1 ABSENT

"Being a tract of land located in the 7th Civil District on the west side of McMurray Rd. approximately 200 feet north of its intersection with Harr Town Rd and further described as parcels 16.10 and 17.00 group A map 33N of the Sullivan County Tax Maps."

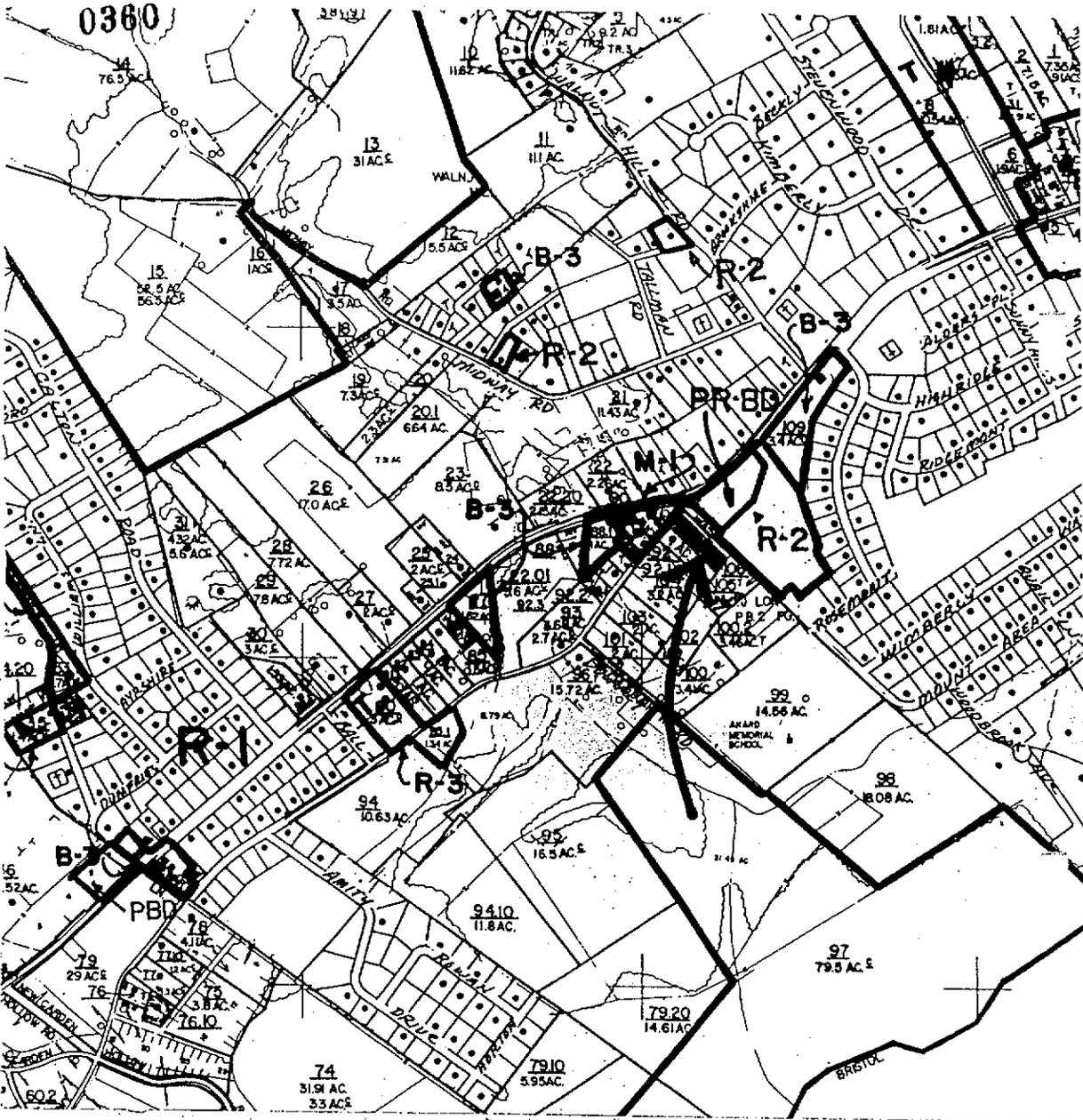
The Planning Commission took the following action:

" File No. 10/98-8, Ben and Joann Johnson Request

Ben and Joann Johnson requested that a tract of land located in the 7th Civil District on the west side of McMurray Rd. approximately 200 feet north of its intersection with Harr Town Rd. be rezoned from R-1 to R-2 to permit the location of a single-wide mobile home.

The applicant was present and spoke in support of the request. Ronald Estep spoke in opposition citing potential decrease of residential property values. Staff stated that the request was compatible with existing mixed land uses and zoning patterns and recommended approval.

Motion Childress, second Belcher to approve the request as recommended by staff. Vote in favor of the motion unanimous.



REZONING REQUEST
 Sullivan County, Tennessee
 From R-1 To B-3

1" = 800'
 Scale

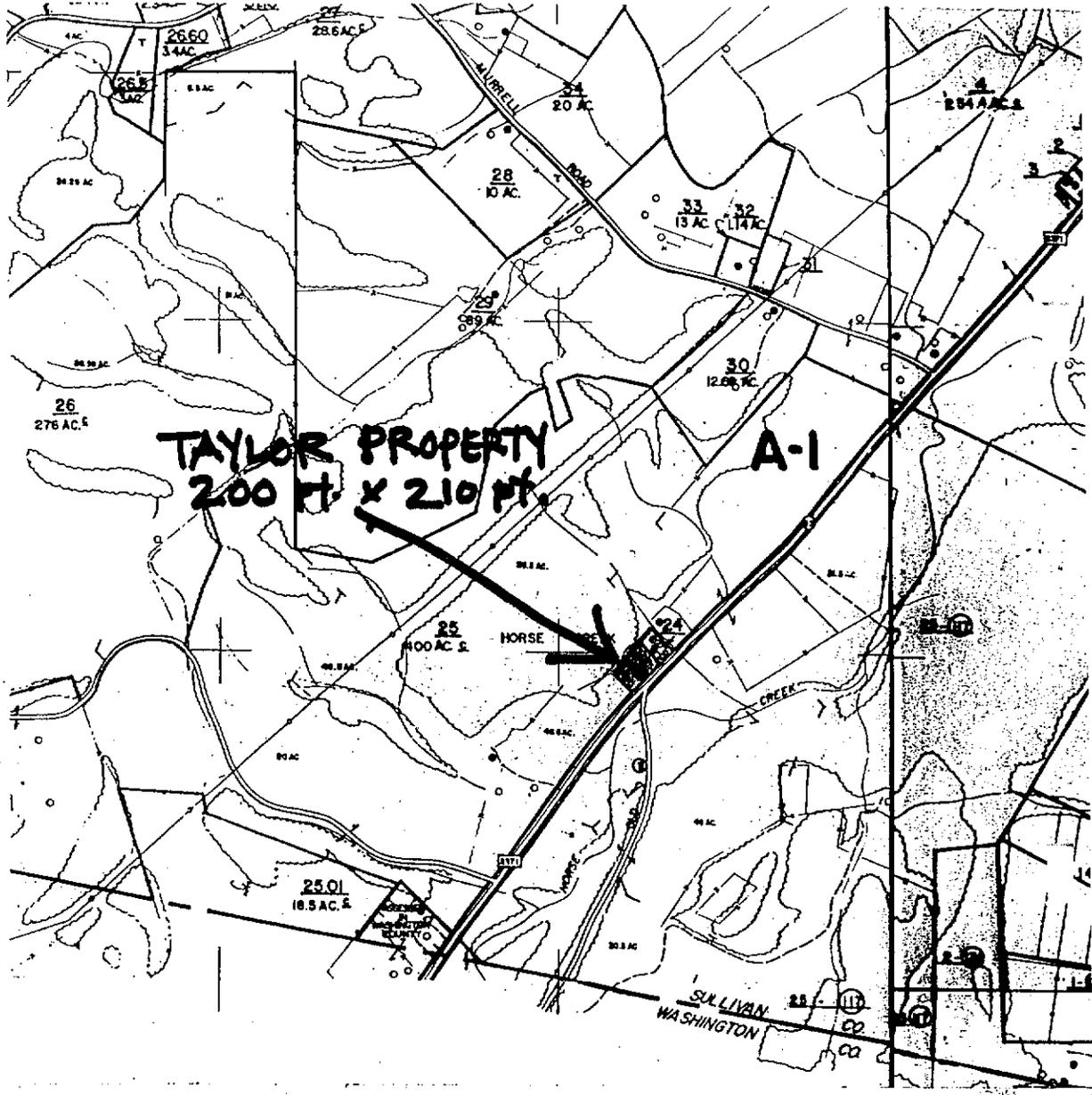
Lot Size: 1 acre
 Civil District: 5



August 18, 1998

File # 8/98-2

0362



REZONING REQUEST
 Sullivan County, Tennessee
 From A-1 To B-3

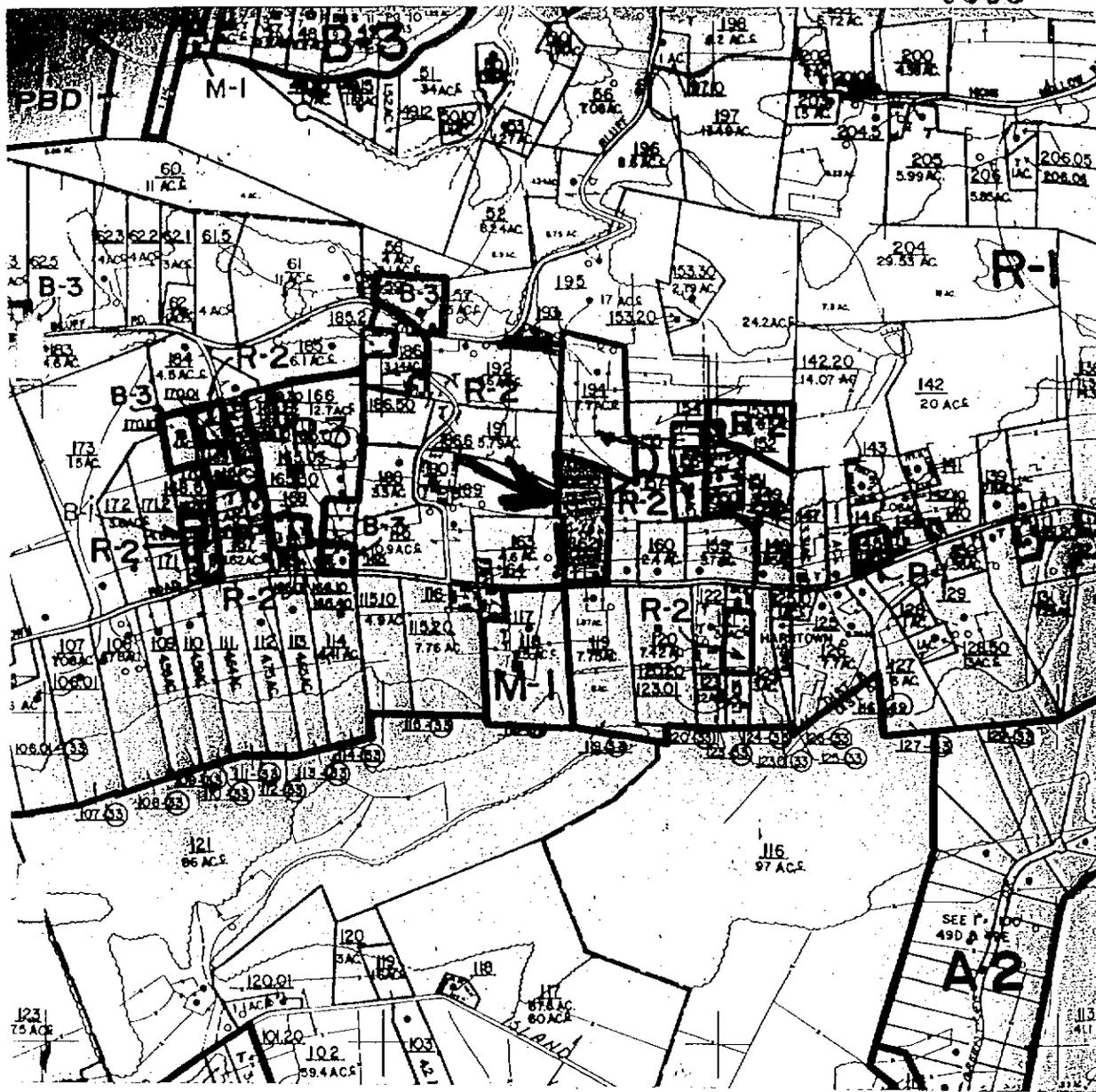
1" = 800'
 Scale

Lot Size: 1 acre
 Civil District: 15



October 20, 1998

File # 10/98-2



REZONING REQUEST
 Sullivan County, Tennessee
 From R-1 To R-2

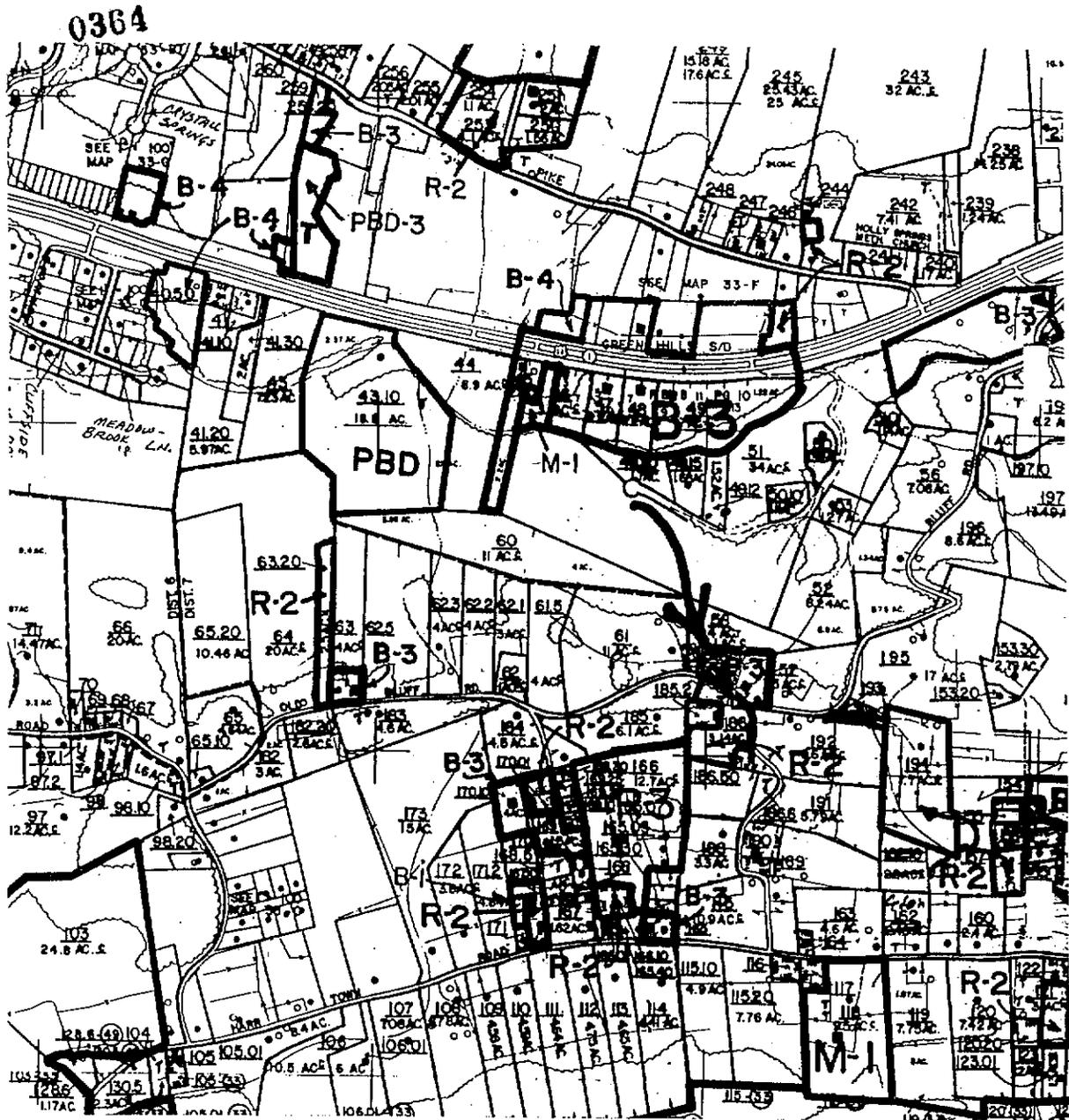
1" = 800'
 Scale

Lot Size: 4.6 acres
 Civil District: 6



October 20, 1998

File # 10/98-4



REZONING REQUEST
 Sullivan County, Tennessee
 From B-3 To R-2

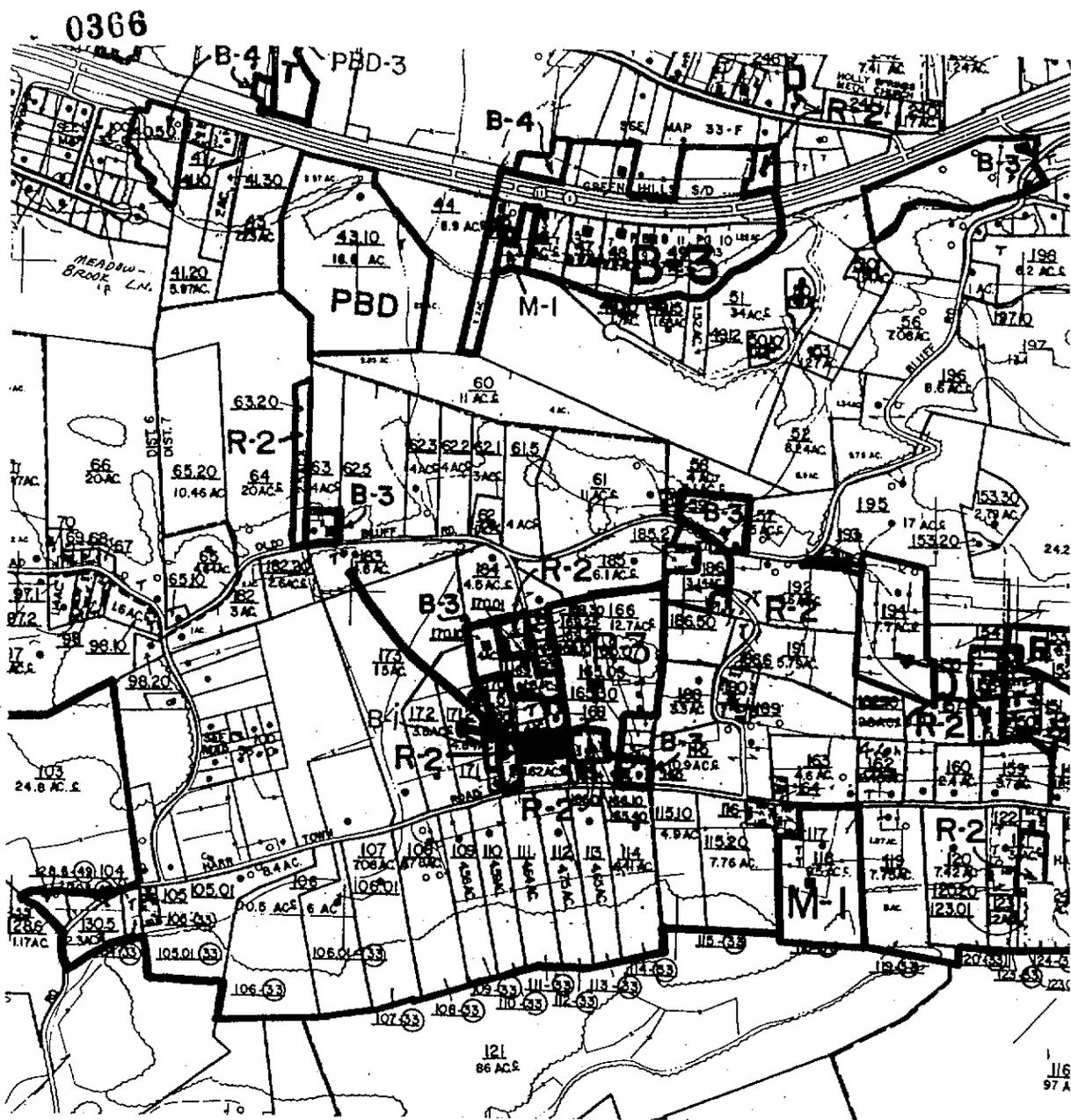
1" = 800'
 Scale

Lot Size: 1 acre
 Civil District: 6



October 20, 1998

File # 10/98-5



REZONING REQUEST
 Sullivan County, Tennessee
 From R-1 To R-2

1" = 800'
 Scale

Lot Size: 100 x 273 feet
 Civil District: 7



NORTH

October 20, 1998

File # 10/98-8

RESOLUTION NO. 1952

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION THIS THE 21st DAY OF SEPTEMBER, 1998.

RESOLUTION AUTHORIZING Sullivan County to Request the Sullivan County Election Commission and State Planning Office to Consider Preparing An Alternative Redistricting Plan for Sullivan County, Tennessee

WHEREAS, TENNESSEE CODE ANNOTATED, SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Regular Session on the 21st day of September, 1998;

WHEREAS, the Sullivan County Election Commission, with the assistance of the State Planning Office, prepared and approved a redistricting plan for Sullivan County in 1995; and

WHEREAS, said redistricting plan was subsequently approved by the Sullivan County Board of Commissioners pursuant to Resolution No. 2 approved November 20, 1995, a copy of which is attached hereto; and

WHEREAS, said redistricting plan has caused much confusion and undue hardship on some citizens of Sullivan County due to some commission district boundaries being altered; and

WHEREAS, an alternate redistricting plan might better serve the citizens of Sullivan County;

NOW, THEREFORE, BE IT RESOLVED that the Sullivan County Board of Commissioners hereby request the Sullivan County Election Commission and the State Planning Office to consider preparing an alternative redistricting plan for Sullivan County to better serve the citizens of Sullivan County.

AMENDMENT: TO be completed by 2001

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of Nov, 1998.
Attested: Jeanie F. Jammon Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER Ferguson ESTIMATED COST: _____
SECONDED BY COMMISSIONER McConnell FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20	3		1	
Voice Vote					

COMMENTS: FIRST READING 9/21/98 DEFERRED 10/19/98
APPROVED WITH ABOVE AMENDMENT 11/23/98 ROLL CALL

Attachment # 195

RESOLUTION NUMBER 16632

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 21st DAY OF August, 1995.

RESOLUTION AUTHORIZING Changes in the Precinct Boundaries within the Jurisdiction of the Sullivan County Election Commission

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 21st day of August, 1995

THAT WHEREAS, Tennessee Code Annotated 2-3-102 (B) provides that: "All precinct boundaries within the jurisdiction of such county election commission that do not coincide with a census block, tract, municipal or county boundary as designated on United States bureau of the census maps prepared for the 1990 federal decennial census shall be altered so that such boundaries do coincide with a census block, tract, municipal or county boundary as designated on United States bureau of the census maps prepared for the 1990 federal census."

NOW THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners approves the new boundaries submitted by the Sullivan County Election Commission, and further, that where the apportionment of the County Commission and the School Board are affected the make-up of all districts will include the same precincts as those approved December 30, 1991.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 20th day of November, 1995

Attested: _____ Date: _____ County Executive
County Clerk

INTRODUCED BY COMMISSIONER Ferguson ESTIMATED COST: _____
SECONDED BY COMMISSIONER Hicks FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative <i>No Action</i>				9/13/95
Budget				10/14/95
Executive	✓		✓	9-5-96

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20	3		1	
Voice Vote					

COMMENTS: FIRST READING 8/21/95 DEFERRED 9/18/95
DEFERRED 10/16/96 APPROVED 11/20/95 ROLL CALL

ATTACHMENT TO RESOLUTION NO. 19

AMENDMENT TO RESOLUTION No. 2

RES. #2 - Sullivan County to Request the Sullivan County Election Commission and State Planning Office to Consider Preparing an Alternative Redistricting Plan for Sullivan County, Tennessee

ADD THE FOLLOWING:

FURTHER BE IT RESOLVED, That in the preparation of an alternative Redistricting Plan for Sullivan County, that consideration be given to avoid the division of any civil district if at all possible.

SPONSORED BY: Ferguson
SECONDED BY: McConnell

COMMENTS: _____

AMENDMENT TO RESOLUTION No. 2

RES. #2 - Sullivan County to Request the Sullivan County Election Commission and State Planning Office to Consider Preparing an Alternative Redistricting Plan for Sullivan County, Tennessee

ADD THE FOLLOWING:

FURTHER BE IT RESOLVED, That in the preparation of an alternative Redistricting Plan for Sullivan County, that consideration be given to avoid the division of any civil district if at all possible.

SPONSORED BY: Ferguson
SECONDED BY: McConnell

COMMENTS: _____

RESOLUTION NUMBER 174

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING Wage Increase for Sullivan County Employees Who did not Receive the Equivalent of .25 Per Hour Effective July 1, 1998

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT WHEREAS, In the FY 1998-99 Budget, the Board of Commissioners funded a 2% wage increase retroactive to July 1, 1998. Employees whose hourly wage was less than \$12.50 per hour received less than .25 per hour increase;

NOW, THEREFORE BE IT RESOLVED, That the hourly wage be adjusted for those employees who received less than .25 per hour [effective July 1, 1998] and that funds be appropriated for this purpose from Undesignated Fund Balance, Acct. No. 39000 to amend the budgets in the following funds:

GENERAL FUND	\$27,200.00
HIGHWAY FUND	\$16,588.00
SANITATION FUND	\$ 2,175.00
HEALTH FUND	\$ 4,286.00
TOTAL	\$50,249.00

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this ___ day of _____, 19__.

Attested: _____ Date: _____ County Executive
County Clerk

INTRODUCED BY COMMISSIONER Hyatt ESTIMATED COST: _____
SECONDED BY COMMISSIONER Belcher FUND: _____

Patrick

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call					
Voice Vote					

COMMENTS: FIRST READING 10/19/98 WITHDRAWN 11/23/98

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION THIS THE 19th DAY OF January, 1998.

RESOLUTION AUTHORIZING Salary Increase for Sullivan County Employees

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Regular Session on the 19th day of January, 1998;

THAT, WHEREAS, The Employees of Sullivan County are dedicated; and

WHEREAS, The employees are deserving of additional compensation; and

NOW, THEREFORE BE IT RESOLVED Salaries of the Sullivan County Employees be increased by twenty five (25) cents per hour. Amend Budgets from Un-Appropriated Funds as follows:

Highway	\$ 42,000.00
Sanitation	\$ 7,000.00
Health Dept.	\$ 16,000.00
General Fund	\$129,000.00
Total:	\$194,000.00

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this _____ day of _____, 19____.

Attested: _____ Date: _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER R. Conkin ESTIMATED COST: _____
SECONDED BY COMMISSIONER O.W. Ferguson FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive <i>No Action</i>				3/4/98

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call					
Voice Vote					

COMMENTS: FIRST READING 1/19/98
Motion by Comm. Harr and seconded by Comm. Daniel to defer
Motion to defer approved - ROLL CALL VOTE 13 Aye, 9 Nay, 1 Absent

DEFERRED 3/16/98 DEFERRED 4/20/98 DEFERRED 5/18/98
DEFERRED 6/15/98 DEFERRED 7/20/98 WITHDRAWN 8/17/98

Attachment Part 174

RESOLUTION NUMBER 185

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING Entering into an Agreement with the City of Kingsport to Temporarily House an Ambulance at the Fire Station on West Stone Drive

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT WHEREAS, Sullivan County Emergency Medical Service has been notified by Holston Defense Corporation that the lease agreement for housing will be terminated December 31, 1998, and

WHEREAS, Holston Defense Corporation is no longer the operating contractor for Holston Army Ammunition Plant, and

WHEREAS, Holston Army Ammunition has advised that the steam plant at the site will be closed down temporarily in December of 1998. The EMS station depends on the steam operation for heat,

NOW, THEREFORE BE IT RESOLVED, That the County Executive is authorized to execute on behalf of Sullivan County an agreement with the City of Kingsport Fire Department for temporary housing of one (1) Sullivan County Emergency Medical Service ambulance at the fire station on West Stone Drive.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of Nov., 1998

James J. Gammon
Attested: _____
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Mayes ESTIMATED COST: _____
SECONDED BY COMMISSIONER Patrick/Pierce FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21		1	2	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

0374

HOLSTON DEFENSE CORPORATION

4509 WEST STONE DRIVE
KINGSPORT, TENNESSEE 37660-9982

Telephone: (423) 578-6315
FAX Number: (423) 247-2261

August 18, 1998

*Attachment
Res # 18-5*

Mr. Jerry Fleenor, Director
Sullivan County Emergency Medical Service
P. O. Box 389
Blountville, TN 37617

Dear Mr. Fleenor:

RE: Agreement 143-0080

As you are aware, Holston Defense Corporation will not be the operating contractor for Holston Army Ammunition Plant after December 31, 1998. The agreement between Holston Defense Corporation and Sullivan County EMS will terminate on that date.

It is recommended that you contact Mr. William Dillon, Administrative Contract Office, Property Manager (578-6296) at Holston Army Ammunition Plant to discuss what future action needs to be taken in order for your continued use of the facility. *Paul Hiveli*

In review of the file on this agreement there have been some very interesting developments; however, all in all it has been a mutually beneficial arrangement. I wish you the best in future relationships with Holston Army Ammunition Plant personnel.

Very truly yours,

HOLSTON DEFENSE CORPORATION


James D. Stallard
Advanced Administration Representative

RESOLUTION NUMBER 196

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING Appropriation of \$15,000 to CASA of Sullivan County [Court Appointed Special Advocates for children - A Volunteer Organization]

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT WHEREAS, CASA volunteers are Court Appointed Special Advocates for children - trained community volunteers appointed by a judge to "speak up for a neglected or abused child" in court, and _____

WHEREAS, Once accepted into the organization, CASA volunteers are trained in courtroom procedure, social service and juvenile court systems and the special needs of children who have been abused and neglected. They are also trained how to effectively interview parties to a case, investigate and access records and how to write a report of their findings and recommendations in order to be fully prepared to "speak up for a child" in court.

NOW, THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners authorizes a one-time appropriation of \$15,000 to CASA of Sullivan County from Undesignated Fund Balance 39000.000 for FY 1998-99, and _____

~~FURTHER BE IT RESOLVED, That \$10,000 be appropriated to CASA of Sullivan County annually thereafter.~~

~~AMENDMENT: STRIKE LAST PARAGRAPH~~

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of NOVEMBER, 19 98

James F. Jammon
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Belcher ESTIMATED COST: _____
SECONDED BY COMMISSIONER Patrick FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	22		1	1	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED AS AMENDED 11/23/98
ROLL CALL

ATTACHMENT - RES # 196

What Is CASA?

Home. For many people—the lucky ones—the word "home" evokes memories of a safe childhood place. There were people "at home" who cared for you as no one else ever did. What could be more basic to the well-being of a child? But the sad reality is that each year millions of children are neglected, abused, or abandoned by their families.

These young victims end up in court. It is up to a judge to decide their future. Imagine you are the judge. You must decide whether to take a three year old out of the only home she knows because she might be abused, or leave her in that home only to find out later that something terrible has happened to her. Should you order the child to remain in foster care? Should the family be reunited? Is adoption the best option for the child? Such weighty decisions require not only wisdom, but information.

Sadly, children in court can become victims a second time. Many child welfare systems carry overwhelming caseloads which do not permit them to pay close, individual attention to the child whose needs and fears are so great. Many children remain adrift in the system without a voice.

That's where CASA comes in.

CASA volunteers are Court Appointed Special Advocates for children — trained community volunteers appointed by a judge to "speak up for a child" in court.



What Does A CASA Volunteer Do?

Volunteers are making a difference for many neglected and abused children. The volunteer advocate works only two or three cases at a time, developing a relationship and rapport with the child being served while independently investigating the case and reviewing all pertinent records. The advocate can then speak for what the child wants and needs from a fresh objective, layman's 'common sense' viewpoint, making sure that the child is not lost either in the courtroom debate or in the intricacies of the child welfare system. The CASA volunteer's report to the court is full of the kind of detailed information a judge needs to make an informed decision based on the best interest of the child.

You Can Become A CASA Volunteer

CASA volunteers come from all walks of life. They have a variety of professional, educational, and ethnic backgrounds. Many are working people. Many are retired. Many are full time homemakers. No special experience is required. Volunteers are selected on the basis of their objectivity, competence and commitment.

Once accepted, volunteers are trained. They learn about courtroom procedure, social service and juvenile court systems, and the special needs of children who have been abused and neglected. They are trained in how to effectively interview parties to a case, how to investigate and access records, and how to write a report of their findings and recommendations. The volunteer is fully prepared to "speak up for a child" in court.

CASA Needs You

There are abused and neglected children in your community who need your support. CASA of Sullivan County is only a phone call away. Call us now to apply to volunteer as a Court Appointed Special Advocate. If volunteering is not practical for you at this time, please consider offering your financial support. Your contribution to CASA of Sullivan County will enable us to continue to help children through the most frightening, bewildering time of their lives.

Speak Up For A child.
Contact
CASA of Sullivan County
Today.



CASA of Sullivan County
317 Shelby Street
Suite 206
Kingsport, Tennessee 37660
(423) 247-1171

SUBSTITUTE RESOLUTION NO. 8

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN ADJOURNED SESSION THIS THE 23rd DAY OF NOVEMBER, 1998.

RESOLUTION AUTHORIZING Approval of Transfer and Assignment by Rifkin Acquisition Partners, L.L.L.P. to Robin Media Group, Inc. of the Hickory Hill Cable System

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Adjourned Session on the 23rd day of November, 1998.

WHEREAS, Rifkin Acquisition Partners, L.L.L.P. ("Franchisee") is a current holder of a franchise issued by the County of Sullivan (the "Authority"), originally issued as Resolution dated November 17, 1997 (the "Franchise"), to operate and maintain a cable television system in the County of Sullivan (the "Hickory Hill System"); and

WHEREAS, Franchisee and Robin Media Group, Inc. ("InterMedia"), which currently holds a separate franchise issued by the Authority by Resolution No. 11, passed on January 15, 1996 and accepted on March 4, 1996 (the "InterMedia Franchise"), have entered into an Asset Exchange Agreement, dated as of July 22, 1998 providing for the sale, assignment and transfer to InterMedia of all of the assets of the Hickory Hill System, excluding Franchisee's rights and obligations under the Franchise; and

WHEREAS, Franchisee and InterMedia have submitted an application in accordance with the requirements of the Franchise for consent by the Authority to the sale, assignment and transfer of all of the assets of the Hickory Hill System, excluding the Franchise; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority and residents thereof to approve the sale, assignment and transfer of the Hickory Hill System to InterMedia and to approve the consolidation by InterMedia of the newly acquired Hickory Hill System into its current Sullivan County cable system operations under the terms of the InterMedia Franchise in accordance with this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the County Commission of Sullivan County, Tennessee as follows:

Section 1. The Authority hereby consents to and approves the sale, assignment and transfer by Franchisee of all of the assets of the Hickory Hill System relating to the period from and after the date of the consummation of the sale (the "Closing Date") to InterMedia, its successors and assigns.

Section 2. The Franchise held by Franchisee shall become null and void on and after the Closing Date. Effective on and after the Closing Date and subject to Section 3 of this Resolution, InterMedia's ownership and operation of the Hickory Hill System acquired from Franchisee shall be subject to all of InterMedia's rights and obligations under the InterMedia Franchise. Unless otherwise provided herein, the consents and approvals hereby given do not constitute and shall not be construed to constitute a waiver of any rights or obligations of any franchisee under the InterMedia Franchise.

Section 3. (a) Section 14(c) of the InterMedia Franchise shall be interpreted to allow InterMedia until December 31, 2000 to replace the existing cable plant serving the Hickory Hill System with a plant capable of processing cable signals at 550 Mhz in order to extend the term of the InterMedia Franchise until March 4, 2011.

(b) After the Closing Date, Section 6 of the InterMedia Franchise shall be deleted in its entirety and replaced with the following:

Section 6. The cable television system provided by the Grantee shall be capable of delivering 70 channels to all customers except for the recently acquired Hickory Hill System which shall be capable of delivering 70 channels to all customers by December 31, 2000.

Section 4 -- Effective Date and Acceptance. This Resolution shall become effective upon passage and after acceptance by Franchisee and InterMedia shall then be and become a valid and binding contract between Authority, Franchisee and InterMedia; provided, however, that this Resolution shall be void unless Franchisee and InterMedia shall, within ninety (90) days after the final passage of this Resolution, file with the County Executive of the Authority a written acceptance of this Resolution agreeing that they will comply with all of the provisions and conditions hereof and that they will refrain from doing all of the things prohibited by this Resolution.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of Nov, 1998.

Jeanine J. Gammon _____ Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER Jones ESTIMATED COST: _____
SECONDED BY COMMISSIONER McKee FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	23			1	
Voice Vote					

COMMENTS: APPROVED 11/23/98 ROLL CALL

RESOLUTION NUMBER 279

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING STOP Signs on Various Roads in the 11th Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED, That STOP signs be placed on the roads listed below as recommended in correspondence from the Sullivan County Highway Department:

11th Civil District:

STOP Sign - Emerson Street at Bloomingdale Road

STOP Sign - on Cove Street at Emerson Street

STOP Sign - on M. Road at Wolfe Street

STOP Sign - on Gibbs Road at Leeland Drive [both sides]

STOP Sign - on Valley Street [both ends] at Gravely Road

STOP Sign - on Pinehurst Street at Bloomingdale Road

STOP Sign - on Delvia Street at Bloomingdale Road

STOP Sign - on Rocky Lane at Bloomingdale Road

STOP Sign - on Church Lane at Bloomingdale Road

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of Nov., 1998

Jeanette J. Gammon Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER Kilgore ESTIMATED COST: _____
SECONDED BY COMMISSIONER Surgenor FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

October 9, 1988

*Attachment
Res # 27-9*

COMMISSIONERS: Elliot Kilgore
Michael Surgenor

Dear Commissioners:

I would like to request that you consider passing the following resolutions:

- (1) A STOP sign be placed on Emerson Street at Bloomingdale Road.
- (2) A STOP sign be placed on Cove Street at Emerson Street.
- (3) A STOP sign be placed on M. Road at Wolfe Street.
- (4) A STOP sign be place on Gibbs Road at Leeland Drive, both sides.
- (5) A STOP sign be placed on Valley Street, both ends at Gravely Road.
- (6) A STOP sign be placed on Pinehurst Street at Bloomingdale Road.
- (7) A STOP sign be placed on Delivia Street at Bloomingdale Road.
- (8) A STOP sign be placed on Rocky Lane at Bloomingdale Road.
- (9) A STOP sign be placed on Church Lane at Bloomingdale Road.

These are in the 11th Civil District.

If you have any questions, please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING 25 MPH Speed Limit on Heather Glen Drive - 14th Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED. That a 25 mph speed limit be placed on Heather Glen Drive as recommended in correspondence from the Sullivan County Highway Department.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 19__98

Jeanette J. Hammen
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Jones ESTIMATED COST: _____
SECONDED BY COMMISSIONER Carter FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

October 9, 1978

*Attachment
Res # 28 / 10*

COMMISSIONERS: June Carter
Samuel Jones

Dear Commissioners:

I would like to request that you consider passing the following resolution:

(1) A 25 MPH SPEED LIMIT be placed on Heather Glen Drive.

This is in the 14th Civil District.

If you have any questions, please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

RESOLUTION NUMBER 29 11

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING 25 MPH Speed Limit on Hicks Road - 9th C.D.

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED, That a 25 mph speed limit be placed on Hicks Road as recommended in correspondence from the Sullivan County Highway Department.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 19 98

James J. Hammen
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Hyatt ESTIMATED COST: _____
SECONDED BY COMMISSIONER Mason FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

October 9, 1998

*Attachment
Res # 39 11*

COMMISSIONERS: Marvin Hyatt
Dwight Mason

Dear Commissioners:

I would like to request that you consider passing the following resolution:

(1) A 25 MPH SPEED LIMIT be placed on Hicks Road.

This is in the 9th Civil District.

If you have any questions, please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

RESOLUTION NUMBER 3012

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 1998.

RESOLUTION AUTHORIZING STOP Signs on Ivanhoe and Maplewood Streets - 15th Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED, That STOP signs be placed on the streets listed below as recommended in correspondence from the Sullivan County Highway Department:

15th CIVIL DISTRICT:

STOP Sign - on Ivanhoe Street at Ridge Road

STOP Sign - on Ivanhoe Street at Bluegrass Drive

STOP Sign - on Maplewood Street at Bluegrass Drive

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Jeanette J. Hammon Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER Childress ESTIMATED COST: _____
SECONDED BY COMMISSIONER Williams FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617**John R. LeSueur, Jr.**
Commissioner of Highways(423) 279-2820
FAX (423) 279-2876

October 9, 1998

*Attachment
Res # 30/2*COMMISSIONERS: Fred Childress
Eddie Williams

Dear Commissioners:

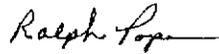
I would like to request that you consider passing the following resolutions:

- (1) A STOP sign be placed on Ivanhoe Street at Ridge Road.
- (2) A STOP sign be placed on Ivanhoe Street at Bluegrass Drive.
- (3) A STOP sign be placed on Maplewood Street at Bluegrass Drive.

These are in the 15th Civil District.

If you have any questions, please feel free to contact me.

Sincerely,

Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING STOP Sign on Lucy Place - 10th C.D.

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED, That a STOP sign be placed on Lucy Place at Lucy Road and Hickam Street as recommended in correspondence from the Sullivan County Highway Department.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Attested: George J. Sammen Date: 11/23/98 _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER Patrick ESTIMATED COST: _____
SECONDED BY COMMISSIONER Blalock/Gonce FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: First Reading 10/19/98 APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

October 9, 1998

*attachment
Res # 3113*

COMMISSIONERS: James Blalock
Mike Gonce
Howard Patrick

Dear Commissioners:

I would like to request that you consider passing the following resolution:

(1) A STOP sign be placed on Lucy Place at Lucy Road and Hickam Street.

This is in the 10th Civil District.

If you have any questions, please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 1998.

RESOLUTION AUTHORIZING 35 MPH Speed Limit on All Sullivan County Roads Unless Posted Otherwise

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT BE IT RESOLVED, That the speed limit on all Sullivan County roads maintained by the Sullivan County Highway Department shall be 35 mph unless posted otherwise.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

James F. Gammon
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER McConnell ESTIMATED COST: _____
SECONDED BY COMMISSIONER Mayer FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	19	2	1	2	
Voice Vote					

COMMENTS: FIRST READING 10/19/98 APPROVED 11/23/98 ROLL CALL

RESOLUTION NUMBER 4019

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Regular SESSION THIS THE 19th DAY OF October 19 98.

RESOLUTION AUTHORIZING County Commission to Hear all Zoning Issues on Fourth Monday of Each Month

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Regular Session on the 19th day of October 1998.

THAT WHEREAS, many Sullivan County citizens are unable to attend zoning meetings due to their working hours; and

WHEREAS, night meetings on zoning issues separate from the regular County Commission meeting may improve the process for both agendas;

NOW, THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners hold a separate meeting for the purpose of hearing all zoning issues on the fourth Monday of each month beginning at 7:00 p.m. and that all other County Commission agenda items shall continue to be heard on the third Monday of each month starting at 9:00 a.m.

BE IT FURTHER RESOLVED that this change shall become effective January, 1999 and the Commission shall thereafter evaluate the change and make revisions as needed.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this ___ day of _____, 19__.

Attested: _____ Date: _____ County Clerk County Executive Date: _____

INTRODUCED BY COMMISSIONER Mayes ESTIMATED COST: _____

SECONDED BY COMMISSIONER _____ FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call					
Voice Vote	x				

COMMENTS: First Reading 10/19/98 TABLED 11/23/98 VOICE VOTE

COMMITTEE

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION THIS THE 19th DAY OF October, 1998.

RESOLUTION AUTHORIZING THE TRANSFER OF VACANT STATE EMPLOYEE POSITION TO COUNTY EMPLOYEE POSITION

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Regular Session on the 19th day of October, 1998:

WHEREAS, A Health Educator position (State) at the Sullivan County Regional Health Department is vacant, and

WHEREAS, Since the Health Department is a Regional office by agreement between the State of Tennessee and Sullivan County, any vacancy occurring in a State position becomes a County position,

NOW, THEREFORE BE IT RESOLVED, That the funding in the FY 1998-99 budget for this position be reallocated as follows:

55110.300	Local Health Contracted Services	Decrease	31,351
55110.100	Personnel (Class J)		23,608
55110.201	Matching FICA		1,470
58600.204	Consolidated Retirement System		1,640
58600.212	Matching Medicare		344
58600.206	Employee Life Insurance		39
58600.207	Employee Health Insurance (Family)		3,984
58600.208	Employee Dental Insurance		266

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of Nov., 19 98

James J. Gammon Date: 11/23/98
 County Clerk County Executive

INTRODUCED BY COMMISSIONER Hyatt ESTIMATED COST: _____
 SECONDED BY COMMISSIONER Harr FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	15	5	1	3	
Voice Vote					

COMMENTS: **ASK FOR WAIVER OF RULES**

FAILED - 10/19/98 APPROVED 11/23/98 ROLL CALL

NOTE: Commissioner Hyatt requested Resolution #16 be put back on 1st Reading at Commission Meeting of 10/19/98. He will request correction to the Minutes of 10/19/98 to reflect this request

RESOLUTION NUMBER 22

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING Sullivan County School Department Amending 1998-99 Budget for the Safe Schools Act Grant in the Amount of \$138,603.00

WHEREAS, TENNESSEE CODE ANNOTATED, SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT WHEREAS, The Sullivan County Department of Education has applied for and has been approved for a grant pertaining to the Safe Schools Act, and

WHEREAS, The Sullivan County School Board has approved amending the 1998-99 School Budget for the purpose of implementing terms agreed to in the grant,

NOW, THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners approves amending the 1998-99 School Budget as follows. The County's match is the current budgeted expenses for the SRO program; no additional county funds are necessary. This is a reimbursement type grant.

46980.000 Other State Grants	+ 138,603.00
72210.307 Communication	+ 43,503.00
72210.308 Consultants	+ 11,200.00
72210.399 Other Contracted Services	+ 2,000.00
72210.429 Instructional Materials/Supplies	+ 4,500.00
72620.426 General Construction Materials	+ 68,400.00
72710.727 Surplus Equipment	+ 9,000.00

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__ the public welfare requiring it.

Duly passed and approved this 23 day of November, 19__ 98

Jeanette J. Gammon Date: 11-23-98 _____ Date: _____
 County Clerk County Executive

INTRODUCED BY COMMISSIONER Patrick ESTIMATED COST: 138,603.00
 SECONDED BY COMMISSIONER B. King/Houser FUND: Gen. Purpose School

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	21			3	
Voice Vote					

COMMENTS: APPROVED 11/23/98 ROLL CALL

RESOLUTION NUMBER 23

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING 4-Way STOP Signs at the Intersection of Maplehurst Lane and Elm Lane in the 4th Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT WHEREAS, Residents have submitted a petition requesting that 4-way STOP signs be placed at the crossing of Elm Lane and Maplehurst Lane in the 4th Civil District.

NOW, THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners authorizes the placement of 4-Way STOP signs at the intersection of Elm Lane and Maplehurst Lane.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Jeanie J. Jammon
Attested: _____

Date: 11/23/98 _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER Milhorn ESTIMATED COST: _____
SECONDED BY COMMISSIONER Belcher/Houser FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20	2		2	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

November 12, 1998

*Attachment
Res # 23*

COMMISSIONERS: Carol Belcher
Dennis Houser
Paul Milhorn

Dear Commissioners:

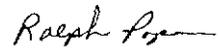
I would like to request that you consider passing the following resolution:

STOP signs be placed on Maplehurst Lane at Elm Lane making it a 4-WAY STOP per Resolution No. 23.

This is in the 4th Civil District.

If you have any questions please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

C: Shirley Gurganus

TO THE COMMISSIONERS OF SULLIVAN COUNTY:

The citizens of Maplehurst Subdivision are extremely concerned with speeding traffic on Maplehurst Lane between US 11 E and Highway 37. The speed limit is 25 MPH. More than a hundred cars and trucks use this street in the subdivision daily as a short cut between the two highways instead of using the on and off ramps.

Speeding cars have been clocked doing 71 and 72 MPH. 40 to 60 MPH is the common speed. 25 to 40 MPH is rare. Maybe 1 in 50 cars travel 25 MPH or less.

We put our lives in danger trying to cross the street to our mail boxes. Many have been almost rear-ended trying to turn into our driveways. When trying to walk on this street, we have to be very cautious to keep from being killed. Sullivan County Sheriff's Department sets up occasionally for a few minutes, but that's only effective while they are present.

To help slow the speeders down, we the undersigned ask you to install 4-way stop signs on Maplehurst Lane and Elm Lane. By doing so, it will help to save a serious accident or to save a life.

Thank you,

	Name	Address	Phone
1.	Carl G. Hodges		538-6992
2.	Judy T. Hodges		" "
3.	W. Barker		538-6778
4.	Brenda Thompson		538-9052
5.	Mr. E. Mary Duff Sullivan		538-4145
6.	William Chandler		538-7651
7.	Mr. & Mrs. Doug W. Bishop		538-9359
8.	Wally Ault		538-8171
9.	Yazefa F. Huslin		538-8131
10.	Carl Bettgen		538-5467
11.	Jeff Boyd		538-7860
12.	William Miller		538-8637
13.	Alice Miller		" "
14.	Carl Casper		538-8917
15.	Monita S. Doremont		
16.	Phil Jones		538-196
17.			
18.			

TO THE COMMISSIONERS OF SULLIVAN COUNTY:

The citizens of Maplehurst Subdivision are extremely concerned with speeding traffic on Maplehurst Lane between US 11 E and Highway 37. The speed limit is 25 MPH. More than a hundred cars and trucks use this street in the subdivision daily as a short cut between the two highways instead of using the on and off ramps.

Speeding cars have been clocked doing 71 and 72 MPH. 40 to 60 MPH is the common speed. 25 to 40 MPH is rare. Maybe 1 in 50 cars travel 25 MPH or less.

We put our lives in danger trying to cross the street to our mail boxes. Many have been almost rear-ended trying to turn into our driveways. When trying to walk on this street, we have to be very cautious to keep from being killed. Sullivan County Sheriff's Department sets up occasionally for a few minutes, but that's only effective while they are present.

To help slow the speeders down, we the undersigned ask you to install 4-way stop signs on Maplehurst Lane and Elm Lane. By doing so, it will help to save a serious accident or to save a life.

Thank you,

Name	Address	Phone
1. <u>Scott Good</u>	<u>213 Cherry Ln</u>	<u>538-8757</u>
2. <u>Nell Shepherd</u>	<u>168 Maplehurst Dr</u>	<u>538-2251</u>
3. <u>Louie Jackett</u>	<u>218 Cherry Ln</u>	<u>538-6004</u>
4. <u>John E. Jackett</u>	<u>" "</u>	<u>" "</u>
5. <u>Margaret L. Myers</u>	<u>219 Cherry Lane</u>	<u>538-3480</u>
6. <u>Carol Sipe</u>	<u>227 Cherry Lane</u>	<u>538-5738</u>
7. <u>Ann W. Apples</u>	<u>226 Cherry Lane</u>	<u>538-3830</u>
8. <u>Roger C. Horne</u>	<u>235 Cherry Ln</u>	<u>538-6852</u>
9. <u>Belle Muller</u>	<u>252 CHERRY LN</u>	<u>538-3975</u>
10. <u>Mary Muller</u>	<u>" "</u>	<u>538-3975</u>
11. <u>Mr & Mrs. George J. Jones</u>	<u>191 Elm Ln</u>	<u>538-6746</u>
12. <u>Edward J. Gorman</u>	<u>" "</u>	<u>538-5811</u>
13. <u>Leo W. Reynolds</u>	<u>190 Elm Lane</u>	<u>" "</u>
14. <u>Clifford A. Brantley</u>	<u>157 Elm</u>	<u>538-8866</u>
15. _____	_____	_____
16. _____	_____	_____
17. _____	_____	_____
18. _____	_____	_____

TO THE COMMISSIONERS OF SULLIVAN COUNTY:

The citizens of Maplehurst Subdivision are extremely concerned with speeding traffic on Maplehurst Lane between US 11 E and Highway 37. The speed limit is 25 MPH. More than a hundred cars and trucks use this street in the subdivision daily as a short cut between the two highways instead of using the on and off ramps.

Speeding cars have been clocked doing 71 and 72 MPH. 40 to 60 MPH is the common speed. 25 to 40 MPH is rare. Maybe 1 in 50 cars travel 25 MPH or less.

We put our lives in danger trying to cross the street to our mail boxes. Many have been almost rear-ended trying to turn into our driveways. When trying to walk on this street, we have to be very cautious to keep from being killed. Sullivan County Sheriff's Department sets up occasionally for a few minutes, but that's only effective while they are present.

To help slow the speeders down, we the undersigned ask you to install 4-way stop signs on Maplehurst Lane and Elm Lane. By doing so, it will help to save a serious accident or to save a life.

Thank you,

	Name	Address	Phone
1	1. Jack Ming	213 MAPLEHURST LN	538-7856
2	2. Pauline & Jim McGord		538-8525
2	3. R.E. & Carol N. Lynn		538-6141
2	4. B.J. & Margaret Hill		538-8804
2	5. Mr. & Mrs. R.N. Brown		538-4316
1	6. Ram Dyer		538-6600
1	7. Albie Dyer		538-7779
1	8. James B. Dyer		538-6600
1	9. Em Bullard		538-3110
1	10. Vickie Bullard		538-3110
1	11. George B. McKern		538-8250
1	12. Harry C. Siskard		538-8176
1	13. Shelma Siskard		538-8176
2	14. Bruce & Patricia Nelson		538-7821
2	15. Mrs. Mrs. Edmond H. Camiel		538-8320
2	16. Mr & Mrs Walter Betty		538-6316
2	17. Mr. & Mrs. Henry D. Conger		538-4343
2	18. Mr & Mrs Earl Smith		538-4572

SEE BACK PAGE

- z 19. ~~Mr & Mrs George E. Stary~~
- z 20. ~~Mrs + Mrs W. C. M. Lee~~
- z 21. ~~Mr + Mrs Richard Shaffer~~
- 22. Mr. + Mrs Joseph (Paper 538-8537)
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.
- 31.
- 32.
- 33.
- 34.
- 35.
- 36.
- 37.
- 38.
- 39.
- 40.
- 41.
- 42.
- 43.
- 44.
- 45.
- 46.
- 47.
- 48.
- 49.
- 50.
- 51.
- 52.
- 53.

RESOLUTION NUMBER 24

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING 25 MPH Speed Limit on Weaver Creek Road - 3rd Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT BE IT RESOLVED, That a 25 mph speed limit be placed on Weaver Creek Road as recommended in correspondence from the Sullivan County Highway Department.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November 19 98

James H. Gammon
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Hyatt ESTIMATED COST: _____
SECONDED BY COMMISSIONER Mason FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Approved	Disapproved	Deferred	Date

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

November 6, 1998

*Attachment
Res # 24*

COMMISSIONERS: Marvin Hyatt
Dwight Mason

Dear Commissioners:

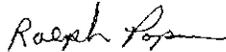
I would like to request that you consider passing the following resolution:

A 25 MPH SPEED LIMIT be placed on Weaver Creek Road.

This is in the 3rd Civil District.

If you have any questions, please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING STOP Sign on Johnson Cemetery Road at Island Road - 5th Civil District

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT BE IT RESOLVED. That a STOP sign be placed on Johnson Cemetery Road at Island Road as recommended in correspondence from the Sullivan County Highway Department.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Jeanie J. Gammon
County Clerk

Date: 11/23/98 _____ Date: _____
County Executive

INTRODUCED BY COMMISSIONER Belcher ESTIMATED COST: _____
SECONDED BY COMMISSIONER Houser/Milhorn FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20	2		2'	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED 11/23/98 ROLL CALL

**SULLIVAN COUNTY
HIGHWAY DEPARTMENT**

P.O. BOX 590
BLOUNTVILLE, TENNESSEE 37617

John R. LeSueur, Jr.
Commissioner of Highways

(423) 279-2820
FAX (423) 279-2876

November 6, 1998

*Attachment
Res # 25*

COMMISSIONERS: Carol Belcher
Dennis Houser
Paul Milhorn

Dear Commissioners:

I would like to request that you consider passing the following resolution:

A STOP sign be placed on Johnson Cemetery Road at Island Road.

This is in the 5th Civil District.

If you have any questions please feel free to contact me.

Sincerely,



Ralph Pope
Traffic Coordinator

RP/jb

c: Shirley Gurganus

RESOLUTION NUMBER 26

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 1998.

RESOLUTION AUTHORIZING The Superintendent of Sullivan County Department of Education to Enter into Lease Arrangement for Driver Education Vehicles

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION 7-51-904, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT WHEREAS, The Sullivan County Board of Education has approved the Superintendent to enter into a 24-month lease arrangement with Bill Gatton Chevrolet for the purpose of providing vehicles for the Drivers Education class, and

WHEREAS, State auditors have advised the Department of Education that lease arrangements must have prior approval from the Sullivan County Board of Commissioners before the Superintendent may enter into such arrangements;

NOW, THEREFORE BE IT RESOLVED, That the Sullivan County Board of Commissioners authorizes the Superintendent of Schools to enter into a 24-month lease arrangement with Bill Gatton Chevrolet for the purpose of providing vehicles for the Drivers Education class.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Jeanie F. Jammon
Attested: _____
County Clerk

Date: 11/23/98 Date: _____
County Executive

INTRODUCED BY COMMISSIONER Blalock ESTIMATED COST: _____
SECONDED BY COMMISSIONER Ferguson FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: APPROVED 11/23/98 ROLL CALL

RESOLUTION NO. 27

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN ADJOURNED SESSION THIS THE 23RD DAY OF NOVEMBER, 1998.

RESOLUTION AUTHORIZING Settlement in the Matter of Rick Webb, et ux v. Sullivan County

WHEREAS, TENNESSEE CODE ANNOTATED, SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Adjourned Session on the 23rd day of November, 1998;

NOW, THEREFORE, BE IT RESOLVED that the Sullivan County Board of Commissioners hereby approve and authorize the Sullivan County Attorney to settle the matter of Rick Webb, et ux v. Sullivan County, pending in the Circuit Court for Sullivan County at Blountville, Tennessee, being Civil Action No. C2412, on the terms as set forth in the Full Release & Settlement Agreement attached hereto; and

BE IT FURTHER RESOLVED that the County Executive is hereby authorized to execute such documents as may be necessary to finalize the settlement in said matter.

(WAIVER OF RULES REQUESTED)

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998.

Attested: Jeanne J. Hammond Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER R. Morrell ESTIMATED COST: _____
SECONDED BY COMMISSIONER M. Vance FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED 11/23/98 ROLL CALL

FULL RELEASE & SETTLEMENT AGREEMENT

Sullivan County, Tennessee and Rick and Lisa Webb for good and valuable consideration including the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged by all parties, agree to the following terms of settlement and release:

(1) Rick and Lisa Webb shall dismiss with full prejudice their lawsuit originally styled Rick Webb and Lisa Webb, Plaintiffs, vs. Sullivan County, Tennessee, J.C. Clark and Joe K. Thomas, Jr., currently pending in the Circuit Court for Sullivan County at Blountville, Tennessee, Civil Action No. C2412 and do hereby fully release, acquit and discharge Sullivan County, Tennessee, its officers, employees, agents and representatives, in their official and individual capacities, from any and all claims and causes of action asserted therein or in any way arising from or related to the claims or causes of action asserted therein, and from any and all costs or expenses associated therewith including, but not limited to, litigation expenses and attorney's fees.

(2) The Lease Agreement previously entered into by and between the parties hereto, a copy of which is attached hereto as Exhibit "1", is amended as follows:

Attachment to Resolution, no. 27

The first sentence of Section 2 of the Lease Agreement will be deleted in its entirety and replaced with the following language:

"The term of this lease shall begin on November 5, 1998 and shall end on November 4, 2008, unless sooner terminated as provided herein."

(3) Exhibit A referenced in Section 1 of the Lease Agreement is hereby identified as Exhibit "2" attached hereto. Sullivan County hereby approves the location of the eighty (80) boat slips in Area A, the "store dock 10 slips" designated thereon and the location of the 40' x 80' store as indicated on the plan as "E". Sullivan County hereby approves and will forward to TVA for TVA review and approval the TVA "Permit for Minor Water Use Facilities" application as submitted on April 9, 1998 to Sullivan County by Rick Webb subject, however, to the understanding and agreement between the Parties hereto that only those portions of the plan drawings referenced above: eighty (80) boat slips in Area A, "Store Dock 10 Slips" and "E" "40' x 80' Store" are approved by Sullivan County. Any future addition of docks, such as those designated on Mr. Webb's blueprint plans as "Future Dock Areas" will be at the sole discretion of Sullivan County with full understanding that Sullivan County may refuse to agree to such addition or expansion for any reason or for no reason.

(4) Sullivan County will pay the sum of Three thousand dollars (\$3,000.00) to Rick and Lisa Webb.

(5) It is mutually understood and agreed that this settlement is the compromise of a doubtful and disputed claim, and that payment is not to be construed as an admission of liability on the part of Sullivan County, its employees, agents and representatives, by whom liability is expressly denied.

(6) This release contains the ENTIRE AGREEMENT between the parties hereto and the terms of this release are contractual and not a mere recital.

(7) The undersigned further state that they have carefully read the foregoing release and know the contents thereof, and that they have signed the same as their free act for the purpose of making a full and final compromise, adjustment and settlement of the above-mentioned claims and hereby acknowledge full release and satisfaction.

WITNESS our hands this _____ day of November, 1998.

RICK WEBB

LISA WEBB

Plaintiffs

RICK J. BEARFIELD
TN BOPR No. _____
Attorney for Plaintiffs
Post Office Box 4210 CRS
Johnson City, Tennessee 37602

SULLIVAN COUNTY, TENNESSEE

BY _____
GIL HODGES, County Executive

Attest:

Sullivan County Clerk

DANIEL P. STREET
TN BOPR No. 7365
Sullivan County Attorney
Post Office Box 509
Blountville, Tennessee 37617

LEASE AGREEMENT

between

COUNTY OF SULLIVAN
STATE OF TENNESSEE

and

RICK WEBB

For the purpose of
Operating the Facility
at

OBSERVATION KNOB PARK

This Agreement is made and entered into by and between the County of Sullivan, State of Tennessee, (hereinafter called "County"), and Rick Webb, (hereinafter called "Lessee"), whose address is 3299 Rock Holds Road, Bluff City, Tennessee 37618.

W I T N E S S E T H:

For and in consideration of the mutual benefits accruing to the parties hereto, the parties have agreed and hereby enter into this Agreement according to the express covenants, terms, and conditions as hereinafter stated:

1. The County hereby issues to the Lessee a lease to occupy and use, for the purposes and subject to all terms and conditions hereinafter stated, the following described premises, facilities, and other property, located at Observation Knob Park in Sullivan County, Tennessee, more specifically shown on the map attached to this document and made a part hereof identified as Exhibit A.

Said premises, facilities, equipment and property are sometimes referred to herein as the premises or the leased facilities. The use of the premises by Lessee is for the purpose of:

The construction and operation of a general merchandise store, petroleum sales, tackle, boat dock and rentals. Construction plans shall be approved by County prior to execution of this Agreement and the County shall obtain TVA's prior written approval before any construction occurs on the site or on the adjacent shoreline or in the water. Lessee shall be responsible for all expenses relating to Lessee's construction and project and agrees to save harmless and indemnify County and TVA from any and all liability therefrom including its costs and reasonable attorney's fees in the event of a claim, demand or litigation arising out of the lessee's construction and/or operation of his business.

Further, this entire Lease is made subject to the terms and conditions in the Grant of Easement for the County by the Tennessee Valley Authority, Contract No. TV-42608A dated July 25, 1975 for public recreation for the benefit and enjoyment of the general public.

2. The term of this lease shall begin on April 1, 1994 and shall end on March 31, 2004, unless sooner terminated as herein provided. Lessee has the option of renewing said lease for an addition two (2) five (5) year periods under the same terms and conditions as herein provided. Conditioned, however, on Lessee providing in writing, to County and County subsequently providing to TVA in writing notice of intent to exercise either option granted herein on or before November 1st of the year preceding the

EXHIBIT "1"

option period and further subject to the County and TVA agreeing to allow the exercise of the options in the sole discretion of their governing bodies, which consent shall not be unreasonably withheld upon the showing of the prudent operation of said business by Lessee. Provided, Lessee's actual occupancy and use of the premises shall be limited to the periods of operation provided for in Paragraph 4, below and a reasonable time before and after such periods of operation to set up and close down Lessee's business.

3. Lessee agrees to compensate the County for the privileges of the express terms described within this Agreement by paying a lease fee of three percent (3%) of the gross sales per month for each month of operation. The fees shall be paid on the first of each month following. The fees for any partial month at the beginning or end of any period of operation shall be prorated.

4. The minimum period of operation of the leased facilities each year throughout the term of this lease shall be as follows:

Nine (9) months per year from 6:00 a.m. until 10:00 p.m.

Lessee may be authorized to operate said leased facilities during other periods when warranted by volume of business as determined jointly by Lessee and the County. The County shall approve the daily schedule of operation, including hours of operation, that said facility is open to the public.

5. Lessee shall keep adequate records and books of account covering business operations conducted under the privileges of this Agreement in such form as the County may prescribe. Such records and books of account shall be open for inspection or audit by the County's representative(s) at all reasonable times.

6. The Lessee shall not permit any offensive use of said premises of any disorderly conduct or activities thereon, and shall keep the premises in a good, clean, sanitary condition. The Lessee agrees that it will not permit gambling or games of chance upon the premises, nor install, operate, or permit to be installed or operate any device, or permit or conduct any activities upon the premises which are illegal or that constitute violation of any federal, state or local governmental law, rule or regulation or any State park rule or regulation. The Lessee shall not sell or permit the sale of alcoholic beverages of any kind upon the premises covered by this Agreement. The County or its representative(s) shall approve all exterior signing and advertising provided by the Lessee.

7. Lessee shall obtain all permits and license, pay all charges, fees, or taxes required by the State of Tennessee or its political subdivisions for the operation of the leased facilities. Lessee and its employees will comply with all federal, state and/or local laws, ordinances, rules and regulations affecting its operation of the leased facilities. The Lessee agrees that it will comply with the workers compensation laws of the State of Tennessee, if applicable, and that it will also comply with all minimum wage, maximum hours, and other laws, rules and regulations applicable to conditions of employment upon or in connection with the premises.

8. In order to protect the public, the Lessee agrees to obtain and keep in force a policy or policies of general public liability insurance with the minimum limits of Three Hundred Thousand Dollars (\$300,000.00) per person and One Million Dollars (\$1,000,000.00) per accident for injuries to persons and property. The said policy(s) shall be forwarded to the County Executive for Sullivan County, who will approve the same if it conforms to the foregoing, and return the same to the Lessee. The policy(s) shall show on their face that the period of coverage is the same as the period or term of this Agreement, and that the insurance company will notify the County of any cancellation of such policy at least ten (10) days in advance of cancellation by company upon default in

premium payment of insured. Policy(s) shall name the Lessee as the insured party and shall name the County as the loss payee.

9. During the term of this Agreement, Lessee shall maintain a current inventory of all non-expendable and expendable properties, facilities, equipment, and/or furniture furnished by the County, consisting either of the original items in good, sanitary condition or replacement items of equal quality and value supplied by Lessee. Such inventory shall be approved at the beginning of the term of Agreement and at the beginning of each subsequent period of operation by the County or its representative(s). Where replaced items were owned by the County, replacements become the property of the County with the exception of items specifically excluded by the County.

10. At the end of each period of operation and upon the expiration of this Agreement, Lessee agrees to return to the County any and all properties, facilities and equipment supplied hereunder by the County including all replacements thereof and additions thereto made after commencement of the agreement, in as good repair and condition as when supplied to Lessee, with allowances for reasonable wear and tear. The County has no liability for any loss of or damage to property of the Lessee, left on the premises during any time between the periods of operation, from any cause whatsoever.

In the event this lease is terminated by the County for cause within the first ten (10) years of operation or is terminated within either of the two (2) five (5) year option periods authorized in this lease, Lessee shall be entitled to disassemble and remove within a reasonable period of time without cost to the County all improvements and fixtures made to the demised premises by Lessee. Lessee shall in such event restore the demised premises to its original condition with the exception of utilities which shall at the option of the Lessee, become the property of the County.

Further in the event this lease is terminated after the expiration of the original ten (10) year period and the expiration of the two (2) five (5) year options, or in the event this lease is terminated at the request of the Lessee after the original ten (10) year period or within either of the two (2) five (5) year option periods, the demised premises and all improvements including utilities made thereto by the Lessee shall become the property of the County.

11. Lessee shall maintain and repair at its own cost the properties, facilities and equipment supplied under this Agreement, throughout the entire term of this Agreement in as good and sanitary condition as when possession thereof was delivered to Lessee by the County, except as follows: (a) Lessee is not responsible for loss or damage caused by fire, windstorm, or other natural casualty not insured against and not resulting from negligence or fault of the lessee, its agents, employees, or lessees. Lessee shall be responsible for condition and appearance of outdoor areas in the vicinity of any structure covered by this Agreement, however, County shall be responsible for mowing and security of said area. The County or its representative(s) reserves the right to conduct inspections of the premises, facilities, and equipment furnished under this Agreement upon reasonable notice to Lessee, and shall give Lessee notice to make all necessary maintenance, repair and/or replacement of any and all properties, equipment, fixtures and/or furnishings covered hereunder. Lessee will not construct any additional alterations, or improvements to the leased facility except as approved in advance by the County and TVA or its representative(s) except as hereinabove set forth.

12. If at any time the Lessee fails to comply with the terms of this Agreement relating to the maintenance, care, repair, and replacement of the premises, facilities, and equipment, the County may, with the exception of items specifically excluded by this

Agreement, cause such repair, maintenance, care, and replacement to be done and employ necessary labor and purchase the necessary materials therefore. The cost and expense of any work done by the County and of materials purchased by it, together with a fair apportionment of overhead costs thereto, shall be an additional amount payable by Lessee to the County.

13. The County may terminate this Agreement by written notice mailed or personally delivered to the Lessee for any of the following reasons:

(a) If the Lessee shall default in any payment due under this Agreement, if such default shall continue for fifteen (15) days after written notice from the County to Lessee designating such default, or

(b) If the Lessee shall fail to maintain proper standards of quality, of foods, beverages, merchandise, goods and/or services as determined by the County, or in any other manner shall fail to provide adequate service to the public, if such default shall continue fifteen (15) days after written notice from the County to Lessee designating such default, or

(c) If for a period of fifteen (15) days after written notice by the County specifying some other default or defaults the Lessee fails to cure such default, or

(d) If Lessee shall abandon or vacate the premises or discontinue the conduct of business thereon for a period of five (5) days, without the approval of the County, or

(e) If Lessee shall make an assignment for the benefit of creditors, or

(f) If the interest of Lessee in this Agreement or any of the assets used by it in the transaction of the business conducted by it under the provisions of this Agreement shall be sold upon execution or other legal process, or

(g) If Lessee does not maintain the required liability insurance coverage, or

(h) In the event there is repeated default in maintaining standards of service, sufficient to cause a decline in public respect for any property and/or facility under this Lease Agreement, the County may by written notice declare this Agreement immediately terminated though the immediate default may have been corrected.

(i) County, in its sole discretion, determines not to grant either or both options to renew upon a showing that Lessee has not operated said business in a prudent manner.

(j) Lessee fails to comply with any of the terms and conditions of the Grant of Easement, Contract No. TV-42609A to the County for public recreational development of this site.

Upon giving such notice of termination the County may immediately take possession of the leased facilities and the Lessee shall surrender possession thereof to the County.

14. Lessee may not assign this lease, in whole or in part, or, sublease any part of the premises, facilities, and/or equipment, without first obtaining the written consent of the necessary County officials, and further, the County obtaining TVA's written consent, which consent may not be unreasonably withheld. In the event said officials consent to any such assignment or sublease, the Lessee shall remain primarily liable for the payments herein provided, unless expressly otherwise provided in the written consent. No assignment or sublease made by the Lessee without the written consent herein before provided shall vest any right or interest whatsoever in the assignee or sublessee and shall be

considered null and void as between the parties hereto.

15. No assent, express or implied, by the County to any breach in or default of any agreement or condition herein contained on the part of the Lessee to be performed or observed, shall constitute a waiver of or assent to any succeeding breach in or default of the same or any other acquirement or condition hereof.

16. The Lessee shall establish rates, charges or prices in general accordance with those established by comparable business operators in the local area.

17. Neither TVA nor the County warrants that the premises, facilities, or equipment are or will remain suitable for the purposes covered by this Agreement. The County will not be liable in any way or responsible for damages on account of injuries to persons or property suffered or alleged to have been suffered by any person or by his property while such person or property is within, near, or adjacent to the premises resulting from acts, omissions, and/or neglect of Lessee during the term thereof and the Lessee hereby agrees to successfully defend against any action in a Court of law or equity that might be brought against it, or to discharge any judgment that might be rendered therein. The intent of this clause is that the Lessee will indemnify the County and TVA and will save the County and TVA harmless for any and all legal claims, damages, and judgments as a result of the negligence of the Lessee, arising out of the occupation, use, maintenance, and operation of the premises, and the Lessee agrees to assume any and all responsibility and liability therefore.

18. The County reserves unto itself any and all other interests in said premises, equipment, and facilities and the Lessee shall have no interest in the said premises, equipment, and facilities provided by the County other than those set forth and described herein. County agrees to grant to Lessee during the term of this Agreement or any extension thereof exclusive retail rights for the operation of said store and dock on County park premises.

19. Upon the default of the terms of this Agreement and upon non-compliance and a reasonable period of time after notice, either party may terminate this Agreement by giving written notice to the other and TVA, specifying the date of termination, such notice to be given not less than ninety (90) days prior to the date herein specified.

20. The Lessee shall be responsible for paying electrical, water and/or utility bills on the leased facilities. Payment of utility bills shall be made within twenty (20) days of receipt of the bill(s). The Lessee shall take reasonable action (winterization) to protect the leased facilities from winter weather conditions during the periods the said facilities are closed to the general public. All winterization shall be approved by the County or its representative(s). The Lessee, however, will retain liability for freeze damage to the leased facilities, including equipment, during these periods, unless such damage results from occupancy or use of the leased facilities by the County.

21. The Lessee agrees to conduct all activities authorized by privileges of this Agreement in such a manner as to enhance the high quality recreational nature of the facilities and of the park. The Lessee, its employees, and agents shall at all times conform to appropriate standards of conduct, public relations, and dress, as advised by the park superintendent. The County shall approve all radio, television and/or newspaper advertisements. County agrees to relocate the existing toll booth so as not to interfere with the public's free and unimpeded access to Lessee's premises.

22. This Agreement may be modified only by written amendment executed by all the parties hereto, and signed and approved by all necessary County officials and the prior written consent of TVA.

23. IF, under the operation of the Agreement, crafts and/or souvenirs are sold, the Lessee shall maintain an inventory of such crafts and/or souvenirs twenty-five percent (25%) of which is in crafts native to the County of Tennessee pursuant to Tennessee Code Annotated §11-3-111.

24. This instrument designated "Agreement" and the attachments thereto contain the entire agreement of the parties and no change, modification, or waiver in or of any of the terms, provisions of conditions of this contract shall be in any way valid or binding on either of the parties hereto unless the same be dated after the date hereof and be in writing and signed by both parties.

25. The Lessee hereby represents and warrants that it is duly authorized to transact in the State of Tennessee and County of Sullivan business of the type and nature required for the operation of the properties and facilities included in this Agreement, and that it will continue to be so qualified during the term of this Agreement.

26. No person on the ground of disability, race, color, religion, sex, national origin, age or any other classification protected by federal and/or Tennessee State constitutional and/or statutory law will be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this lease, or in the employment practices of the lessee. The Lessee shall upon request show proof of such nondiscrimination, and shall post in conspicuous places, available to all employees and applicants, notice of nondiscrimination.

IN WITNESS WHEREOF, the parties have executed this Agreement.

SULLIVAN COUNTY, TENNESSEE

By: Wm. H. McKamy
WILLIAM H. MCKAMY
County Executive

ATTEST:

Day B. Feathers
County Court Clerk

By: Joe Mike Akand
JOE MIKE AKAND
Purchasing Agent

Rick Webb
RICK WEBB
Lessee

TENNESSEE VALLEY AUTHORITY

BY: (Consent given in letter to
County Executive, 3/17/92)

DATED: February _____, 1994.

RESOLUTION NO. 28

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN ADJOURNED SESSION THIS THE 23RD DAY OF NOVEMBER, 1998.

RESOLUTION AUTHORIZING Easement Agreement to Bristol, Tennessee Electric System

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Adjourned Session on the 23rd day of November, 1998;

NOW, THEREFORE, BE IT RESOLVED that the Sullivan County Executive is hereby authorized to execute the attached Easement Agreement or such other document as may be necessary to convey an easement to Bristol, Tennessee Electric System for the relocation of power lines as a result of the expansion of the Sullivan County Justice Center in Blountville.

(WAIVER OF RULES REQUESTED)

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998.

Proposed by Jeanette L. Hammon Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER E. Williams ESTIMATED COST: _____

SECONDED BY COMMISSIONER R. Harr FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED ROLL CALL 11/23/98

This Instrument Was Prepared By:

E98- 3148 EGH

Grid # 65A2

Bristol Tennessee Electric System
Bristol, Tennessee

W. O. # 58-

Acct. # _____

THIS EASEMENT AGREEMENT, made and entered into this 5th day of November, 1998, by and between Sullivan County, Tennessee, A Political Subdivision of the State of Tennessee, hereinafter called "Grantor" (whether one or more), and the City of Bristol Tennessee, for the use and benefit of BRISTOL TENNESSEE ELECTRIC SYSTEM, its successors and assigns, hereinafter called "Grantee";

WITNESSETH:

In consideration of \$1.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantor does grant and convey unto Grantee, its successors and assigns an easement, over, under, and across those certain lands of the Grantor, hereinafter described, for the construction, maintenance, operation, enlargement, rebuilding, and repairing of facilities for the transmission and distribution of electrical energy, telephone lines, telegraph or other cable lines, including poles, crossarms, guys, anchors, wires, conduits, cables, and other necessary apparatus and appliances; and the right of ingress over and across said lands for the purpose of exercising the rights and privileges herein granted, but that in exercising such rights of ingress and egress, whenever practicable, regularly established highways, roads, and streets will be used.

The lands of the Grantor referred to herein are located on Map 51, Parcel 47 in the 5th Civil District of Sullivan County, Tennessee, and are the same property conveyed to Grantor by deed/will recorded in the Register's office at Blountville, Tennessee, in Deed Book No. 378A, page 170, and Deed Book No. 6C, page 955, to which reference is here made for a full description of same.

The center line of the said easement herein granted is as follows:

Beginning at a property corner on the northern side line of the Blountville By-Pass and also corner to property of Massengill and an existing power pole numbered 1, the line travels 145 feet, plus or minus, in an eastern direction along the Massengill and Sullivan County boundary line to a power pole numbered 2; thence in a northwestern direction 7 feet, plus or minus, to a padmounted transformer numbered T2; thence from the power pole numbered 2 the line also travels in a northeastern direction 250 feet, plus or minus, to a power pole numbered 3; thence in a southwestern direction 120 feet, plus or minus, to a point in the boundary line common with property of Burger King.

Grantor, his heirs, successors or assigns, do hereby agree to keep trees on said land trimmed so they will not grow any closer than twenty (20) feet of the facilities or grow such that they could fall within twenty (20) feet of the facilities which the Grantee shall construct, reconstruct, replace, and maintain upon said easement. In the event that the Grantor, his heirs, successors or assigns attempt to cut or trim trees that are within twenty (20) feet of the facilities, the Grantee is released from all liability, except for that liability which is the direct result of the Grantee's negligence in maintaining said facilities. If the Grantor, his heirs, successors or assigns fails to comply with the foregoing, the Grantee shall have the right to trim or cut such trees in violation hereof and, the Grantor, his heirs, successors or assigns agree to reimburse the Grantee for any and all costs incurred in this action.

ATTACHMENT TO RESOLUTION NO. 28

Grantor does also grant the right from time to time to clear trees, brush, signboards, structures, stored personal property, and fire hazards within said easement, together with the right to trim, cut down, fell, and clear away any tree on said lands which now or hereafter may be a hazard to the facilities which the Grantee shall construct, reconstruct, replace, and maintain upon said easement.

Grantee shall reimburse Grantor for any actual loss or damage which shall be caused by the exercise of said ingress or egress, or by any wrongful or negligent act or omission of Grantee.

The failure of Grantee to exercise any of the rights herein granted shall not be construed as a waiver or abandonment of the right thereafter at any time and from time to time to exercise any or all of them.

To have and to hold said rights and easement together with all privileges and appurtenances thereunto belonging for the use and purposes aforesaid, unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, this instrument is executed on the date first herein written.

(SEAL) _____
Sullivan County, Tennessee
A Political Subdivision of the State of Tennessee

STATE OF TENNESSEE)

COUNTY OF SULLIVAN)

On this the _____ day of _____, 19 _____, before me personally appeared

_____ to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and official seal at office in _____, Tennessee, this the day and year above written.

My commission expires:

NOTARY PUBLIC

SEAL:

_____ COMMITTEE

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN SESSION THIS THE 23rd DAY OF November, 1998.

RESOLUTION AUTHORIZING THE SULLIVAN COUNTY SHERIFF'S OFFICE VICE OPERATIONS
 WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Regular Session on the 23rd day of NOVEMBER, 1998;

WHEREAS, THE SPECIAL REVENUE FUND FOR THE SHERIFF'S OFFICE- "DRUG CONTROL SHERIFF"- DOES NOT ALLOW FOR VICE OPERATIONS SUCH AS GAMBLING OR PROSTITUTION, AND

WHEREAS, THE ANNUAL AMOUNTS FOR SUCH AN OPERATION WILL NOT EXCEED \$2,000 AND WILL NOT REQUIRE THE APPROPRIATION OF NEW FUNDS BUT WILL COME FROM THE 1998-99 SHERIFF APPROPRIATED FUNDS, AND

WHEREAS, THE TRACKING OF THE FUNDS WILL BE THE SOLE RESPONSIBILITY OF THE SHERIFF'S OFFICE USING THE SAME GUIDELINES AND CONTROLS AS THE DRUG FUND,

THEREFORE, THE SULLIVAN COUNTY SHERIFF'S OFFICE REQUESTS THAT THE COMMISSION GIVE PERMISSION FOR FUNDS TO BE ALLOCATED WITHIN THE PRESENT SHERIFF FUNDS TO SET UP A VICE OPERATION NOT TO EXCEED \$2,000.

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of November, 19 98

Attested: _____ Date: _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER WILLIAMS ESTIMATED COST: _____
 SECONDED BY COMMISSIONER HARR FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: APPROVED 11/23/98 ROLL CALL

RESOLUTION NO. 30

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN ADJOURNED SESSION THIS THE 23RD DAY OF NOVEMBER, 1998.

RESOLUTION AUTHORIZING Appropriation of Funds Relative to Sullivan County Adult-Oriented Registration Board

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Adjourned Session on the 23rd day of November, 1998;

WHEREAS, the Sullivan County Board of Commissioners on July 20, 1998 approved Resolution No. 14 adopting the provisions of Tennessee Code Annotated §7-51-1101, et seq. (Public Chapter 1090 of the Public Acts of 1998 – Adult-Oriented Establishment Registration Act of 1998); and

WHEREAS, Tennessee Code Annotated 7-51-1103 creates an Adult-Oriented Establishment Board in any county adopting the aforesaid provisions; and

WHEREAS, the Sullivan County Executive has previously appointed the membership of the Sullivan County Adult-Oriented Establishment Board pursuant to the provisions of Tennessee Code Annotated 7-51-1103; and

WHEREAS, an appropriation is necessary to cover the expenses associated with the duties of the Adult-Oriented Establishment Board;

NOW, THEREFORE, BE IT RESOLVED that the sum of \$5,000.00 shall be appropriated from Account No. 39000 [Undesignated Fund Balance] to an account to be designated by the Director of Accounts and Budgets, said funds to be allocated as follows:

100 [Personal Services]	-	\$1,000.00
300 [Contracted Services]	-	\$4,000.00

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19__, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998.

Attested: _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER M. Hyatt ESTIMATED COST: _____
SECONDED BY COMMISSIONER Buddy King FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED 11/23/98 ROLL CALL

RESOLUTION NUMBER 31

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN Adjourned SESSION THIS THE 23rd DAY OF November 19 98.

RESOLUTION AUTHORIZING Commissioner of Roads to Purchase Four Backhoes Through Special Procurement Contract with Manufacturer

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____, AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee, assembled in Adjourned Session on the 23rd day of November 1998.

THAT WHEREAS, The Purchasing Agent has solicited open market and obtained competitive "buy-back" pricing on four (4) backhoes for the Sullivan County Highway Department; and

WHEREAS, The Highway Commissioner desires to purchase these backhoes on a three-year "interest-free/full warranty" installment plan direct from the manufacturer, with a guaranteed "buy-back" offered by the manufacturer's local distributor at the end of the three years, per the information attached hereto; and

WHEREAS, The Highway Commissioner already has money appropriated for the purchase of these backhoes, but would like to take advantage of the manufacturer's "interest-free" installment plan;

NOW, THEREFORE BE IT RESOLVED, That since there are no differences in pricing (either lump sum payment or 3-year installment plan), that the Sullivan County Board of Commissioners approves the three-year "interest free" plan, obligating \$49,767 annually for the next three years [or less] instead of obligating the grand total lump sum of \$149,300 from the current fiscal year.

WAIVER OF RULES REQUESTED

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998

Attested: _____ Date: _____
County Clerk County Executive

INTRODUCED BY COMMISSIONER Williams ESTIMATED COST: _____
 SECONDED BY COMMISSIONER Vance FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	20			4	
Voice Vote					

COMMENTS: WAIVER OF RULES APPROVED 11/23/98 ROLL CALL

ATTACHMENT TO RESOLUTION # 31

 "BUY-BACK" PURCHASE AGREEMENT - FOUR (4) BACKHOES
 FOR HIGHWAY DEPARTMENT
 BID EVALUATION SUMMARY

SUCCESSFUL VENDOR: FURROW-JUSTICE MACHINERY

- (1) MAKE/MODEL BID: JOHN DEERE 310E
 1a: PRICE (4 each) = \$48,200.00/Unit ... Total= \$ 192,800.00
- (2) TRADE-IN VALUES FOR OLD HIGHWAY EQUIPMENT
- | | | |
|-----|---|-----------------|
| 2a: | 1977 580C Case Backhoe w/Boom
(S/N 8961714 - Boom S/N 5377428) | \$- <6,000.00> |
| 2b: | 1987 416 Cat Backhoe
(S/N 5PC04042) | \$- <12,000.00> |
| 2c: | 1987 416 Cat Backhoe
(S/N 5PC004043) | \$- <12,500.00> |
| 2d: | 1989 580K Case Backhoe
(S/N JABOO06064) | \$- <13,000.00> |
- (3) GRAND TOTAL LUMP SUM (INCLUDING TRADE-INS) \$ 149,300.00
 ---or---
 3-YEARS INSTALLMENT PLAN (INCLUDING TRADE-INS) \$ 149,300.00
 (\$49,767 + \$49,766 + \$49,766)
- (4) "BUY-BACK" GUARANTEED PRICE (See formula below)* \$-121,200.00
 >Vendor agrees to "buy-back" equipment after 3 years<
 *BUY-BACK CONTRACT INCLUDES FISCAL YEAR 'FUNDING-OUT' CLAUSE
- (5) TOTAL COST TO COUNTY FOR ALL FOUR (4) UNITS \$ 28,100.00*

FORMULA TO DERIVE AT PER BACKHOE/PER YEAR COST:

\$28,100. divided by 4 units = \$7,025./unit divided by 3 years

*Annual cost per backhoe = \$2,341.66(Includes full machine warranty [parts/labor] for 3 years)

=====

S U M M A R Y

PURCHASE PRICE IS SAME EITHER LUMP SUM PAYMENT OR 3-YEARS INSTALLMENT PLAN (INCLUDING TRADE-INS). THE INSTALLMENT PLAN AVAILABLE THROUGH THE MANUFACTURER ALLOWS THE GOVERNMENT ENTITIES TO USE THEIR CAPITAL MONIES MORE EFFECTIVELY, HAVE NEWER EQUIPMENT AND ELIMINATE THE COSTS OF REPAIRS AND LABOR COVERED UNDER THE FULL WARRANTY AGREEMENT.

=====

TO THE HONORABLE GIL HODGES, COUNTY EXECUTIVE, AND THE MEMBERS OF THE SULLIVAN COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION THIS THE 23RD DAY OF NOVEMBER, 1998.

RESOLUTION AUTHORIZING THE ISSUANCE OF \$17,000,000 SCHOOL DEBT AND \$5,000,000 JAIL DEBT.

WHEREAS, TENNESSEE CODE ANNOTATED; SECTION _____ AUTHORIZES COUNTIES TO _____

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Sullivan County, Tennessee assembled in Regular Session on the 23rd day of November, 1998;

SEE ATTACHMENT

AMENDMENT: ADD \$3,000,000 FOR PUBLIC BUILDING DEBT
MOTION MADE BY HARR AND SECONDED BY MCCONNELL TO AMEND

All resolutions in conflict herewith be and the same rescinded insofar as such conflict exist.

This resolution shall become effective on _____, 19____, the public welfare requiring it.

Duly passed and approved this 23 day of November, 1998.

Jeanie J. Gammon Date: 11/23/98
County Clerk County Executive

INTRODUCED BY COMMISSIONER WILLIAMS ESTIMATED COST: _____
SECONDED BY COMMISSIONER HARR FUND: _____

Committee Action	Approved	Disapproved	Deferred	Date
Administrative				
Budget				
Executive				

Commission Action	Aye	Nay	Pass	Absent	Total
Roll Call	23			1	
Voice Vote					

COMMENTS: WAIVER OF RULES
APPROVED AS AMENDED 11/23/98 ROLL CALL

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES, SERIES 1998 OF SULLIVAN COUNTY, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED EIGHT MILLION DOLLARS (\$8,000,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, under the provisions of Sections 9-21-101 *et seq.*, Tennessee Code Annotated, subject to the approval of the State Director of Local Finance, counties in Tennessee are authorized to issue interest bearing capital outlay notes for a period of not to exceed twelve (12) years from date of issue for all county purposes for which general obligation bonds can be legally authorized and issued; and

WHEREAS, the Board of County Commissioners of Sullivan County, Tennessee (the "County") has determined that it is necessary and desirable to issue not to exceed \$8,000,000 in aggregate principal amount of capital outlay notes for the purpose of providing funds for expansions, renovations and improvements to the Sullivan County jail facility, the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto, and costs incident to the issuance and sale of such notes; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon.

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

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Sections 9-21-101 *et seq.*, Tennessee Code Annotated, 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) "Code" shall mean the Internal Revenue Code of 1986, as amended and all lawful regulations thereunder;

(b) "County" shall mean Sullivan County, Tennessee;

(c) "Governing Body" shall mean the Board of County Commissioners of the County;

(d) "Notes" shall mean not to exceed \$8,000,000 General Obligation Capital Outlay Notes, Series 1998, of the County, dated December 1, 1998, or having such other series designations and dated dates as shall be determined by the County Executive pursuant to Section 7 hereof, provided the maturity date of any emission of the Notes does not exceed twelve (12) years from the issuance date of such emission of the Notes;

(e) "Project" shall mean expansions, renovations and improvements to the Sullivan County jail facility; expansions, additions, renovations and equipping public buildings; and the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; and

(g) "Registration Agent" shall mean First Tennessee Bank National Association, Memphis, Tennessee, as registration and paying agent for the Notes, or any successor designated by the Governing Body.

Section 3. Authorization and Terms of the Notes. For the purpose of providing funds for to pay the costs of the Project and costs incident to the issuance and sale of the Notes as more fully set forth in Section 8 hereof, there are hereby authorized to be issued interest bearing capital outlay notes of the County in an aggregate principal amount not to exceed \$8,000,000. The Notes shall be issued in fully registered form and shall be designated as "General Obligation Capital Outlay Notes, Series 1998," dated December 1, 1998, or such other name, date or series designations as shall be established pursuant to Section 7 hereof, provided the maturity date of the Notes, or any emission thereof, does not exceed twelve (12) years from the issuance date of the each emission of Notes. The Notes shall bear interest at a rate or rates not to exceed six percent (6%) per annum, payable semi-annually on April 1 and October 1 until the Notes mature or are redeemed, commencing October 1, 1999. The Notes shall be initially issued in \$5,000 denominations, or integral multiples thereof, as shall be requested by the original purchaser thereof. The Notes shall mature serially and be payable on April 1 of each year as follows subject to the adjustments permitted pursuant to Section 8 hereof (provided, however, that Notes maturing April 1, 2011 may not be issued prior to April 1, 1999):

<u>Years</u>	<u>Amounts</u>
2000	100,000
2001	500,000
2002	525,000
2003	550,000
2004	575,000
2005	600,000
2006	650,000
2007	725,000
2008	800,000
2009	900,000
2010	1,000,000
2011	1,075,000

Notes maturing April 1, 2000 through April 1, 2008, inclusive, shall mature without option of prior redemption. Notes maturing April 1, 2009 and April 1, 2011, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and thereafter, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date, or such other redemption dates and redemption price as may be determined pursuant to Section 7 hereof.

Pursuant to Section 7 hereof, the County Executive is authorized to sell the Notes, or any maturities thereof, as term Notes with mandatory redemption requirements. In the event any or all the Notes are sold as term Notes, the County shall redeem such term Notes on the redemption dates corresponding to the maturity dates set forth herein in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof. Notes so redeemed shall be redeemed at a price of par plus accrued interest thereon to the date of redemption. The term Notes to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may determine.

If less than all the Notes shall be called for redemption, the Governing Body, in its discretion, shall designate the maturity or maturities which will be redeemed, and, if less than all the Notes of a single maturity shall be called for redemption, the Notes 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 may determine.

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 Notes 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 Notes 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 Note 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 Notes 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 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 Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 Notes for which proper notice was given. The Registration Agent shall mail said notices, in the case of term Notes with mandatory redemption requirements as and when provided herein and in the Notes and, in the case of optional redemption, as and when directed by the County pursuant to written instructions from an authorized representative of the County 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 Notes 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.

The County hereby authorizes and directs the Registration Agent to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance, upon transfer, or as otherwise directed by the County, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes 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 Notes canceled and destroyed, and to furnish the County at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary or 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.

The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on a date which is the fifteenth day of the month next preceding the interest payment (the "Regular Record Date") by check or draft mailed to such owners at such owners' addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable.

Any interest on any Note which 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 Notes 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 Note 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 Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes 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 and interest on the Notes when due.

The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or Notes 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 Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note 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 Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note 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 Notes shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Notes of the same maturity in any authorized denomination or denominations.

The Notes shall be signed by the County Executive and attested by the County Clerk by their respective facsimile signatures, and shall have imprinted thereon a facsimile of the corporate seal of the County.

The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof or as the original purchaser may designate upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes 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 Note form.

In case any Note 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 Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the County may pay or authorize payment of such Note 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 Note, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Note an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Section 4. Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the County are hereby irrevocably pledged.

Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Note)

REGISTERED
Number _____

REGISTERED

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF SULLIVAN
GENERAL OBLIGATION CAPITAL OUTLAY NOTE, SERIES 1998

Interest Rate: Maturity Date: Dated Date: CUSIP NO:

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Sullivan County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth or upon earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures or is redeemed, said interest being payable on October 1, 1999, and semi-annually thereafter on first day of April and October until this Note matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of First Tennessee Bank National Association, Memphis, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on a date which is fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such

Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

Reference is hereby made to the further provisions of this Note set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

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

IN WITNESS WHEREOF, Sullivan County, Tennessee, has caused this Note to be signed by its County Executive with his facsimile signature and attested by its County Clerk with her facsimile signature under a facsimile of the corporate seal of the County, all as of the day and date hereinabove set forth.

SULLIVAN COUNTY

BY: _____
County Executive

(FACSIMILE SEAL)

ATTESTED:

County Clerk

Transferable and payable at the
principal corporate trust office of: First Tennessee Bank National Association
Memphis, Tennessee

Date of Registration: _____

This Note is one of the issue of notes issued pursuant to the Resolution hereinabove described.

FIRST TENNESSEE BANK NATIONAL ASSOCIATION
Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Note)

Notes maturing April 1, 2000 through April 1, 2008, shall mature without option of prior redemption. Notes maturing on April 1, 2009 and April 1, 2010, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 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 the Notes 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, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or in such other random manner as the Registration Agent shall determine.

Notice of call for redemption 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 Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 the Notes for which proper notice was given. From and after any redemption date, all Notes 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.

This Note 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 Note. Upon such transfer a new Note or Notes of authorized denomination or 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 Note 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 Note shall be overdue. Notes, 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 Notes 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 Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note; provided, the Registration Agent, at its option, may make transfers after any of said dates.

This Note is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds for expansions, renovations and improvements to the Sullivan County jail facility, the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto, and costs incident to the issuance and sale of the Notes, 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 (the "Resolution") duly adopted by the Board of County Commissioners of the County on November 23, 1998.

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on this Note, 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 Note is issued, reference is hereby made to said resolution.

This Note 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 Note during the period the Note is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____
 (Please insert Social Security or Federal Tax Identification Number _____), the
 within Note of Sullivan County, Tennessee and does hereby irrevocably constitute and appoint
 _____, attorney, to transfer the said Note 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 Note in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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

Section 6. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal 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 Notes.

Section 7. Sale of Notes.

(a) The Notes shall be offered for public sale at a price of not less than ninety-nine percent (99.0%) of par, plus accrued interest, as a whole or in part from time to time, and may be offered in one or more emissions from time to time as shall be determined by the County Executive, in consultation with J. C. Bradford & Co., Nashville, Tennessee, the County's financial advisor.

(b) If the Notes are sold in more than one emission, the County Executive is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Notes less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Notes authorized to be issued herein.

(c) The County Executive is further authorized to change the dated date of the Notes or any emission thereof, to a date other than December 1, 1998, to determine the series designation of each emission of Notes, to change the first interest payment date on the Notes or any emission thereof to a date other than October 1, 1999, to adjust the principal and interest payment dates and maturity amounts of the Notes or any emission thereof, provided the total principal amount of all emissions of the Notes does not exceed the total amount of Notes authorized herein, to adjust the County's optional redemption dates of the Notes and to adjust the redemption price of the Notes to a premium not to exceed one percent (1%) of the par amount of the Notes called for redemption, but only if the Notes are originally sold at par, to sell the Notes or any maturities thereof as term notes with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Executive, as he shall deem most advantageous to the County, and to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interest of the County.

(d) The County Executive is authorized to sell the Notes simultaneously with the County's School Bonds, Series 1998 or any other series of school bonds authorized on the date hereof by resolution of the Governing Body.

(e) The County Executive is authorized to award the Notes to the bidder whose bid results in the lowest interest cost to the County, provided the rate on none of the Notes exceeds six percent (6%) per annum. The award of the Notes by the County Executive to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof.

(f) The County Executive and County Clerk, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the successful bidder 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 Notes. The County executive and County Clerk are hereby authorized to enter into a contract with J.C. Bradford & So., Nashville, Tennessee, for financial advisory services in connection with the sale of the Notes.

(g) The Notes shall not be issued until after the approval of the State Director of Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated.

Section 8. Disposition of Note Proceeds. From the proceeds of the sale of the Notes, all accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

The remainder of the proceeds of the sale of the Notes shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the Jail Improvement Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay costs of issuance of the Notes, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Notes. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be paid to the County Trustee and shall be used to pay principal of and interest on the Notes. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be placed in the Construction Fund or transferred to the County Trustee to be deposited in the County's debt service fund as directed by the County Executive.

Section 9. Official Statement. The County Executive and County Clerk, or either of them, working with J. C. Bradford & Co., Nashville, Tennessee, the County's financial advisor, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Notes. After the Notes have been sold, the County Executive and County Clerk, or either of them, shall make such completions, omissions, insertions, and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(b)(3) of the Securities and Exchange Commission. The County Executive 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 Notes have been sold for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Notes.

The County Executive and 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 10. Arbitrage. The County recognizes that the purchasers and owners of the Notes 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 Notes. In this connection, the County agrees that it shall take no action which may cause the interest on any of said Notes to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Notes 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 "rebate amount" with respect to the Notes 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 Notes from being included in gross income for federal income tax purposes. The County Executive and County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

Section 11. Discharge and Satisfaction of Notes. If the County shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways, to wit:

(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 Notes 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 Federal Obligations,

as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Notes and to pay principal and interest thereon when due until the maturity or redemption date (provided, if such Notes 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 Notes 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 Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Notes 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 Notes 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal 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 Notes; provided that any cash received from such principal or interest payments on such Federal 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 Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes on or prior to such 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, Federal 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 12. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices for the Notes, as required by Rule 15c2-12 of the Securities Exchange Commission. The County Executive is authorized to execute

at the closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes 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 Notes 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 13. Qualified Tax-Exempt Obligations. To the extent the Notes may be designated as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code, the Governing Body hereby designates the Notes as "qualified tax-exempt obligations".

Section 14. Reasonably Expected Economic Life. The "reasonably expected economic life" of the improvements and equipment comprising the Project within the meaning of Section 9-21-101 et seq., Tennessee Code Annotated, is greater than twelve (12) years.

Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, 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 Notes and interest due thereon shall have been paid in full.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

0442

Adopted and approved this 23rd day of November, 1998.

Neil Hodges
County Executive

ATTEST:

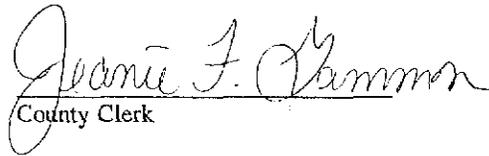
Janice F. Gammon
County Clerk

STATE OF TENNESSEE)

COUNTY OF SULLIVAN)

I, Jeanie Gammon, hereby certify that I am the duly qualified and acting County Clerk of Sullivan County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on November 23, 1998; 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 \$8,000,000 General Obligation Capital Outlay Notes, Series 1998 of said County.

WITNESS my official signature and seal of said County this ____ day of November, 1998.


County Clerk

(SEAL)

The Board of County Commissioners of Sullivan County, Tennessee, met in a regular Session on November 23, 1998, at 9:00 a.m., E. S. T., at the County Courthouse, Blountville, Tennessee, with Gil Hodges, County Executive, presiding.

The following Commissioners were present:

Bryan Boyd	O. W. Ferguson	Eddie Williams
June Carter	Mike Gonce	Carol Belcher
Fred T. Childress	Ralph Harr	Jim Blalock
Dennis L. Houser	Samuel C. Jones	Elliott Kilgore
Marvin Hyatt	James L. King	Dwight Mason
James "Buddy" King	Wayne McConnell	Mark Vance
Howard G. Patrick	Paul Milhorn	Michael Surgenor
Archie N. Pierce	Randy Morrell	

The following Commissioners were absent:

Gary Mayes

There were also present Jeanie Gammon, County Clerk and Larry Bailey, Director of Accounts and Budgets.

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

AYE: 23

NAY: 0

A RESOLUTION AUTHORIZING THE ISSUANCE OF SCHOOL BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) OF SULLIVAN COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS.

WHEREAS, under the provisions of Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, counties in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said counties for school purposes; and

WHEREAS, the Board of County Commissioners of Sullivan County, Tennessee, has heretofore determined that it is necessary and advisable to issue not to exceed \$17,000,000 in aggregate principal amount of school bonds for the purpose of providing funds for the purchase of sites for County school buildings and facilities; the constructing, furnishing and equipping of school buildings and facilities located in the County; the payment of engineering, legal, fiscal and administrative costs incident to the foregoing; and the payment of costs incident to the issuance and sale of the Bonds; and

WHEREAS, it is the intention of the Board of County Commissioners to adopt this resolution for the purpose of authorizing not to exceed \$17,000,000 in aggregate principal amount of said bonds, 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 and interest thereon.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, 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" shall mean not to exceed \$17,000,000 School Bonds, Series 1998 of the County, to be dated December 1, 1998, or such other name, date and series designation as shall be designated by the County Executive pursuant to Section 7 hereof, authorized to be issued by this resolution;

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

(c) "County" shall mean Sullivan County, Tennessee;

(d) "Governing Body" shall mean the Board of County Commissioners of the County;

(e) "Project" shall mean purchase of sites for school buildings and facilities; constructing, furnishing and equipping of school buildings and facilities located in the County; and the payment of engineering, legal, fiscal and administrative costs incident to the foregoing;

(f) "Registration Agent" shall mean First Tennessee Bank National Association, Memphis, Tennessee, the registration and paying agent for the Bonds or any successor designated by the Governing Body.

Section 3. Authorization and Terms of the Bonds. For the purpose of providing funds to pay the costs of the Project, to provide funds required to be shared with the Cities pursuant to Section 49-3-1003 (b)(1), Tennessee Code Annotated, and to pay costs incident to the issuance and sale of the Bonds, as more fully set forth in Section 8 hereof, there are hereby authorized to be issued school bonds of the County in the aggregate principal amount not to exceed \$17,000,000. The Bonds shall be issued in fully registered form shall be known as "School Bonds" and each Bond shall be dated December 1, 1998, or such other designation and dated date as shall be established pursuant to Section 7 hereof. The Bonds shall bear interest at a rate or rates not to exceed six percent (6.00%) per annum, payable semi-annually on the first day of April and October in each year commencing October 1, 1999. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. The Bonds shall mature serially and be payable on April 1 of each year as follows (subject to the adjustments permitted pursuant to Section 8 hereof):

<u>Years</u>	<u>Amounts</u>
2011	635,000.00
2012	700,000.00
2013	770,000.00
2014	850,000.00
2015	935,000.00
2016	1,025,000.00
2017	1,115,000.00
2018	1,215,000.00
2019	1,320,000.00
2020	1,435,000.00
2021	1,550,000.00
2022	1,680,000.00
2023	1,815,000.00
2024	1,955,000.00

Bonds maturing April 1, 2000 through April 1, 2008, inclusive, shall mature without option of prior redemption. Bonds maturing April 1, 2009 and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and thereafter, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date, or such other redemption dates and redemption prices as may be determined pursuant to Section 7 hereof.

Pursuant to Section 7 hereof, the County Executive is authorized to sell the Bonds, or any maturities thereof, as term Bonds with mandatory redemption requirements. In the event any or all the Bonds are sold as term Bonds, the County shall redeem such term Bonds on the redemption dates corresponding to the maturity dates set forth herein in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof. Bonds so redeemed shall be redeemed at a price of par plus accrued interest thereon to the date of redemption. The term Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may determine.

If less than all the Bonds shall be called for redemption, the Governing Body, in its discretion, shall designate the maturity or maturities which will be redeemed, and, if less than all the Bonds of a single maturity shall be called for redemption, 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 may determine.

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 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. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Bonds and, in the case of optional redemption, as and when directed by the County pursuant to written instructions from an authorized representative of the County 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.

The Governing Body hereby authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the County, 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 earliest redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such

written agreement between the County and the Registration Agent as they shall deem necessary or 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.

The Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds 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 check or draft mailed 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 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.

Any interest on any Bond which 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.

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 Bonds 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 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. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

The Bonds shall be signed by the County Executive and attested by the County Clerk by their respective manual or facsimile signatures, and shall have imprinted thereon a facsimile of the corporate seal of the County.

The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser thereof or as it may designate 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.

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

Section 5. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF SULLIVAN
SCHOOL BONDS, SERIES _____

Interest Rate: ___ Maturity Date: ___ Date of Bond: _____ CUSIP No.:

December 1, 1998

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Sullivan County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth or earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 1999, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of First Tennessee Bank National Association, Memphis, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the

fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

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

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

SULLIVAN COUNTY

BY: _____ (Facsimile)
County Executive

(FACSIMILE SEAL)

ATTESTED:

(Facsimile)
County Clerk

Transferable and payable at the
principal corporate trust office of: First Tennessee Bank National Association
Memphis, Tennessee

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

Date of Registration: _____

FIRST TENNESSEE BANK NATIONAL ASSOCIATION
Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Bond)

The Bonds of the issue of which this Bond maturing April 1, 2000 through April 1, 2008 shall mature without option of prior redemption. Bonds maturing April 1, 2009 and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and on any date thereafter at a redemption 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, and, if less than all of the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or in such other random manner as the Registration Agent in its discretion shall determine.

Notice of call for redemption 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. 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 herein.

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 denomination or 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 to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond; provided, the Registration Agent, at its option, may make transfers after any of said dates.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds to purchase sites for County school buildings and facilities; to construct, furnish and equip County school buildings and facilities; to pay engineering, legal, fiscal and administrative costs incident to the foregoing; to pay the costs incident to the issuance and sale of the Bonds; and to provide funds required to be shared with each incorporated city or town within the County pursuant to Section 49-3-1003(b)(1), Tennessee Code Annotated, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, the State of Tennessee, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on November 23, 1998 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of 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 a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, 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 corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

(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 Sullivan 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 6. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of 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 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 7. Sale of Bonds. (a) The Bonds shall be offered for public sale as required by law at a price of not less than ninety-nine percent (99%) of par, exclusive of original issue discount, plus accrued interest, as a whole or in part, from time to time, and may be offered in one or more emissions from time to time, as shall be determined by the County Executive in consultation with the County's financial advisor, J. C. Bradford & Co., Nashville, Tennessee.

(b) If the Bonds are sold in more than one emission, the County Executive is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Bonds less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Bonds authorized to be issued herein.

(c) The County Executive is further authorized to change the dated date of the Bonds or any emission thereof, to a date other than December 1, 1998, to determine the series designation of each emission of Bonds, to change the first interest payment date on the Bonds or any emission thereof to a date other than October 1, 1999, to adjust the principal and interest payment dates and maturity amounts of the Bonds or any emission thereof, provided the total principal amount of all emissions of the Bonds does not exceed the total amount of Bonds authorized herein, to change the County's optional redemption provisions of the Bonds, provided the redemption premium, if any, shall not exceed two percent (2%) of the par amount of the Bonds called for redemption, to sell the Bonds or any maturities thereof as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Executive, as he shall deem most advantageous to the County, and to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the County.

(d) The County Executive is further authorized to sell the Bonds simultaneously with the County's General Obligation Capital Outlay Notes, Series 1998 authorized to be issued on the date hereof by resolution of the Governing Body and with any other series of school bonds authorized to be issued by this resolution.

(e) The County Executive is authorized to award the Bonds to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on none of the Bonds exceeds six percent (6%) per annum. The award of the Bonds by the County Executive to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. The form of the Bond set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof.

(f) The County Executive and 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 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. The County Executive and County Clerk are hereby authorized to enter into a contract with J. C. Bradford & Co., Nashville, Tennessee, for financial advisory services in connection with the sale of the Bonds.

Section 8. Disposition of Bond Proceeds. From the proceeds of the sale of the Bonds, all accrued interest shall be deposited to the appropriate fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

The County Executive and the County Clerk, or either of them, are authorized to cause to be determined the amount of proceeds of the Bonds required to be shared with each incorporated city or town within the County pursuant to Section 49-3-1003(b)(1), Tennessee Code Annotated, and to cause the amounts so determined to be paid over to the treasurer of each City.

The remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the School Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Project. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be paid to the County Trustee and shall be used to pay principal of and interest on the Bonds. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be placed in the Construction Fund or transferred to the County Trustee to be deposited in the County's debt service fund as directed by the County Executive.

Section 9. Official Statement. The County Executive and County Clerk, or either of them, working with the County's financial advisor, J. C. Bradford & Co., are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the County Executive and County Clerk, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(b)(3) of the Securities and Exchange Commission. The County Executive and County Clerk, or either of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The County Executive and 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 10. Arbitrage. 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 purposes of 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 "rebate amount" with respect to 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 being included in gross income for federal income tax purposes. The County Executive and 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 11. 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, to wit:

(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 Federal 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 Escrow 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal 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 Federal 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 Federal 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, Federal 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 12. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The County Executive is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating hereto. 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 its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performances.

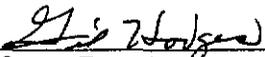
Section 13. Qualified Tax-Exempt Obligations. To the extent the Bonds or any emission thereof, may be designated as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code, the Governing Body hereby designates the Bonds or any such emission as "qualified tax-exempt obligations".

Section 14. 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 15. 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.

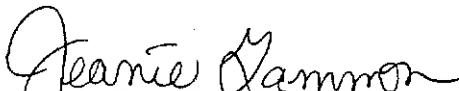
Section 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this twenty-third day of November, 1998.



County Executive

ATTEST:



County Clerk

SEAL

The Board of County Commissioners of Sullivan County, Tennessee, met in a regular Session on November 23, 1998, at 9:00 a.m., E. S. T., at the County Courthouse, Blountville, Tennessee, with Gil Hodges, County Executive, presiding.

The following Commissioners were present:

Bryan Boyd	O. W. Ferguson	Eddie Williams
June Carter	Mike Gonce	Carol Belcher
Fred T. Childress	Ralph Harr	Jim Blalock
Dennis L. Houser	Samuel C. Jones	Elliott Kilgore
Marvin Hyatt	James L. King	Dwight Mason
James "Buddy" King	Wayne McConnell	Mark Vance
Howard G. Patrick	Paul Milhorn	Michael Surgenor
Archie N. Pierce	Randy Morrell	

The following Commissioners were absent:

Gary Mayes

There were also present Jeanie Gammon, County Clerk and Larry Bailey, Director of Accounts and Budgets.

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

AYE: 23

NAY: 0

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES, SERIES 1998 OF SULLIVAN COUNTY, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, under the provisions of Sections 9-21-101 *et seq.*, Tennessee Code Annotated, subject to the approval of the State Director of Local Finance, counties in Tennessee are authorized to issue interest bearing capital outlay notes for a period of not to exceed twelve (12) years from date of issue for all county purposes for which general obligation bonds can be legally authorized and issued; and

WHEREAS, the Board of County Commissioners of Sullivan County, Tennessee (the "County") has determined that it is necessary and desirable to issue not to exceed \$5,000,000 in aggregate principal amount of capital outlay notes for the purpose of providing funds for expansions, renovations and improvements to the Sullivan County jail facility, the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto, and costs incident to the issuance and sale of such notes; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon.

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

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Sections 9-21-101 *et seq.*, Tennessee Code Annotated, 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) "Code" shall mean the Internal Revenue Code of 1986, as amended and all lawful regulations thereunder;

(b) "County" shall mean Sullivan County, Tennessee;

- (c) "Governing Body" shall mean the Board of County Commissioners of the County;
- (d) "Notes" shall mean not to exceed \$5,000,000 General Obligation Capital Outlay Notes, Series 1998, of the County, dated December 1, 1998, or having such other series designations and dated dates as shall be determined by the County Executive pursuant to Section 7 hereof, provided the maturity date of any emission of the Notes does not exceed twelve (12) years from the issuance date of such emission of the Notes;
- (e) "Project" shall mean expansions, renovations and improvements to the Sullivan County jail facility and the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; and
- (g) "Registration Agent" shall mean First Tennessee Bank National Association, Memphis, Tennessee, as registration and paying agent for the Notes, or any successor designated by the Governing Body.

Section 3. Authorization and Terms of the Notes. For the purpose of providing funds for to pay the costs of the Project and costs incident to the issuance and sale of the Notes as more fully set forth in Section 8 hereof, there are hereby authorized to be issued interest bearing capital outlay notes of the County in an aggregate principal amount not to exceed \$5,000,000. The Notes shall be issued in fully registered form and shall be designated as "General Obligation Capital Outlay Notes, Series 1998," dated December 1, 1998, or such other name, date or series designations as shall be established pursuant to Section 7 hereof, provided the maturity date of the Notes, or any emission thereof, does not exceed twelve (12) years from the issuance date of the each emission of Notes. The Notes shall bear interest at a rate or rates not to exceed six percent (6%) per annum, payable semi-annually on April 1 and October 1 until the Notes mature or are redeemed, commencing October 1, 1999. The Notes shall be initially issued in \$5,000 denominations, or integral multiples thereof, as shall be requested by the original purchaser thereof. The Notes shall mature serially and be payable on April 1 of each year as follows subject to the adjustments permitted pursuant to Section 8 hereof:

<u>Years</u>	<u>Amounts</u>
2000	305,000
2001	390,000
2002	405,000
2003	420,000
2004	435,000
2005	455,000
2006	475,000
2007	495,000
2008	515,000
2009	540,000
2010	565,000

Notes maturing April 1, 2000 through April 1, 2008, inclusive, shall mature without option of prior redemption. Notes maturing April 1, 2009 and April 1, 2010, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and thereafter, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date, or such other redemption dates and redemption price as may be determined pursuant to Section 7 hereof.

Pursuant to Section 7 hereof, the County Executive is authorized to sell the Notes, or any maturities thereof, as term Notes with mandatory redemption requirements. In the event any or all the Notes are sold as term Notes, the County shall redeem such term Notes on the redemption dates corresponding to the maturity dates set forth herein in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof. Notes so redeemed shall be redeemed at a price of par plus accrued interest thereon to the date of redemption. The term Notes to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may determine.

If less than all the Notes shall be called for redemption, the Governing Body, in its discretion, shall designate the maturity or maturities which will be redeemed, and, if less than all the Notes of a single maturity shall be called for redemption, the Notes 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 may determine.

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 Notes 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 Notes 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 Note 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 Notes 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 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 Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 Notes for which proper notice was given. The Registration Agent shall mail said notices, in the case of term Notes with mandatory redemption requirements as and when provided herein and in the Notes and, in the case of optional redemption, as and when directed by the County pursuant to written instructions from an authorized representative of the County 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 Notes 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.

The County hereby authorizes and directs the Registration Agent to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance, upon transfer, or as otherwise directed by the County, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes 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 Notes canceled and destroyed, and to furnish the County at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary or 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.

The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on a date which is the fifteenth day of the month next preceding the interest payment (the "Regular Record Date") by check or draft mailed to such owners at such owners' addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable.

Any interest on any Note which 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 Notes 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 Note 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 Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes 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 and interest on the Notes when due.

The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or Notes 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 Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note 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 Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note 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 Notes shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be

exchanged for an equal aggregate principal amount of Notes of the same maturity in any authorized denomination or denominations.

The Notes shall be signed by the County Executive and attested by the County Clerk by their respective facsimile signatures, and shall have imprinted thereon a facsimile of the corporate seal of the County.

The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof or as the original purchaser may designate upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes 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 Note form.

In case any Note 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 Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the County may pay or authorize payment of such Note 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 Note, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Note an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Section 4. Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the County are hereby irrevocably pledged.

Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Note)

REGISTERED
Number _____

REGISTERED

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF SULLIVAN
GENERAL OBLIGATION CAPITAL OUTLAY NOTE, SERIES 1998

Interest Rate: Maturity Date: Dated Date: CUSIP NO:

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Sullivan County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth or upon earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures or is redeemed, said interest being payable on October 1, 1999, and semi-annually thereafter on first day of April and October until this Note matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of First Tennessee Bank National Association, Memphis, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on a date which is fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such

Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

Reference is hereby made to the further provisions of this Note set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

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

IN WITNESS WHEREOF, Sullivan County, Tennessee, has caused this Note to be signed by its County Executive with his facsimile signature and attested by its County Clerk with her facsimile signature under a facsimile of the corporate seal of the County, all as of the day and date hereinabove set forth.

SULLIVAN COUNTY

BY: _____
County Executive

(FACSIMILE SEAL)

ATTESTED:

County Clerk

Transferable and payable at the
principal corporate trust office of: First Tennessee Bank National Association
Memphis, Tennessee

Date of Registration: _____

This Note is one of the issue of notes issued pursuant to the Resolution hereinabove described.

FIRST TENNESSEE BANK NATIONAL ASSOCIATION
Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Note)

Notes maturing April 1, 2000 through April 1, 2008, shall mature without option of prior redemption. Notes maturing on April 1, 2009 and April 1, 2010, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 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 the Notes 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, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or in such other random manner as the Registration Agent shall determine.

Notice of call for redemption 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 Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 the Notes for which proper notice was given. From and after any redemption date, all Notes 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.

This Note 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 Note. Upon such transfer a new Note or Notes of authorized denomination or 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 Note 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 Note shall be overdue. Notes, 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 Notes 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 Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note; provided, the Registration Agent, at its option, may make transfers after any of said dates.

This Note is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds for expansions, renovations and improvements to the Sullivan County jail facility, the payment of legal, fiscal, administrative, architectural and engineering costs incident thereto, and costs incident to the issuance and sale of the Notes, 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 (the "Resolution") duly adopted by the Board of County Commissioners of the County on November 23, 1998.

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on this Note, 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 Note is issued, reference is hereby made to said resolution.

This Note 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 Note during the period the Note is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____
(Please insert Social Security or Federal Tax Identification Number _____), the within Note of Sullivan County, Tennessee and does hereby irrevocably constitute and appoint

_____, attorney, to transfer the said Note 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 Note in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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

Section 6. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal 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 Notes.

Section 7. Sale of Notes.

(a) The Notes shall be offered for public sale at a price of not less than ninety-nine percent (99.0%) of par, plus accrued interest, as a whole or in part from time to time, and may be offered in one or more emissions from time to time as shall be determined by the County Executive, in consultation with J. C. Bradford & Co., Nashville, Tennessee, the County's financial advisor.

(b) If the Notes are sold in more than one emission, the County Executive is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Notes less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Notes authorized to be issued herein.

(c) The County Executive is further authorized to change the dated date of the Notes or any emission thereof, to a date other than December 1, 1998, to determine the series designation of each emission of Notes, to change the first interest payment date on the Notes or any emission thereof to a date other than October 1, 1999, to adjust the principal and interest payment dates and maturity amounts of the Notes or any emission thereof, provided the total principal amount of all emissions of the Notes does not exceed the total amount of Notes authorized herein, to adjust the County's optional redemption dates of the Notes and to adjust the redemption price of the Notes to a premium not to exceed one percent (1%) of the par amount of the Notes called for redemption, but only if the Notes are originally sold at par, to sell the Notes or any maturities thereof as term notes with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Executive, as he shall deem most advantageous to the County, and to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interest of the County.

(d) The County Executive is authorized to sell the Notes simultaneously with the County's School Bonds, Series 1998 or any other series of school bonds authorized on the date hereof by resolution of the Governing Body.

(e) The County Executive is authorized to award the Notes to the bidder whose bid results in the lowest interest cost to the County, provided the rate on none of the Notes exceeds six percent (6%) per annum. The award of the Notes by the County Executive to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof.

(f) The County Executive and County Clerk, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the successful bidder 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 Notes. The County executive and County Clerk are hereby authorized to enter into a contract with J.C. Bradford & So., Nashville, Tennessee, for financial advisory services in connection with the sale of the Notes.

(g) The Notes shall not be issued until after the approval of the State Director of Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated.

Section 8. Disposition of Note Proceeds. From the proceeds of the sale of the Notes, all accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

The remainder of the proceeds of the sale of the Notes shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the Jail Improvement Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay costs of issuance of the Notes, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Notes. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be paid to the County Trustee and shall be used to pay principal of and interest on the Notes. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be placed in the Construction Fund or transferred to the County Trustee to be deposited in the County's debt service fund as directed by the County Executive.

Section 9. Official Statement. The County Executive and County Clerk, or either of them, working with J. C. Bradford & Co., Nashville, Tennessee, the County's financial advisor, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Notes. After the Notes have been sold, the County Executive and County Clerk, or either of them, shall make such completions, omissions, insertions, and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(b)(3) of the Securities and Exchange Commission. The County Executive 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 Notes have been sold for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Notes.

The County Executive and 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 10. Arbitrage. The County recognizes that the purchasers and owners of the Notes 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 Notes. In this connection, the County agrees that it shall take no action which may cause the interest on any of said Notes to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Notes 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 "rebate amount" with respect to the Notes 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 Notes from being included in gross income for federal income tax purposes. The County Executive and County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

Section 11. Discharge and Satisfaction of Notes. If the County shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways, to wit:

(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 Notes 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 Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Notes and to pay principal and interest thereon when due until the maturity or redemption date (provided, if such Notes 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 Notes 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 Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Notes 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 Notes 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal 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 Notes; provided that any cash received from such principal or interest payments on such Federal 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 Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes on or prior to such 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, Federal 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 12. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices for the Notes, as required by Rule 15c2-12 of the Securities Exchange Commission. The County Executive is authorized to execute at the closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes 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 Notes 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 13. Qualified Tax-Exempt Obligations. To the extent the Notes may be designated as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code, the Governing Body hereby designates the Notes as "qualified tax-exempt obligations".

Section 14. Reasonably Expected Economic Life. The "reasonably expected economic life" of the improvements and equipment comprising the Project within the meaning of Section 9-21-101 et seq., Tennessee Code Annotated, is greater than twelve (12) years.

Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, 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 Notes and interest due thereon shall have been paid in full.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 23rd day of November, 1998.

County Executive

ATTEST:

County Clerk

STATE OF TENNESSEE)

COUNTY OF SULLIVAN)

I, Jeanie Gammon, hereby certify that I am the duly qualified and acting County Clerk of Sullivan County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on November 23, 1998; 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 \$5,000,000 General Obligation Capital Outlay Notes, Series 1998 of said County.

WITNESS my official signature and seal of said County this ____ day of November, 1998.

County Clerk

(SEAL)

The Board of County Commissioners of Sullivan County, Tennessee, met in a regular session on November 23, 1998, at 9:00 a.m., E.S.T., at the County Courthouse, Blountville, Tennessee, with Gil Hodges, County Executive, presiding.

The following Commissioners were present:

The following Commissioners were absent:

There were also present Jeanie Gammon, County Clerk and Larry Bailey, Director of Accounts and Budgets.

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

AYE:

NAY:

A RESOLUTION AUTHORIZING THE ISSUANCE OF SCHOOL BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) OF SULLIVAN COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS.

WHEREAS, under the provisions of Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, counties in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said counties for school purposes; and

WHEREAS, the Board of County Commissioners of Sullivan County, Tennessee, has heretofore determined that it is necessary and advisable to issue not to exceed \$17,000,000 in aggregate principal amount of school bonds for the purpose of providing funds for the purchase of sites for County school buildings and facilities; the constructing, furnishing and equipping of school buildings and facilities located in the County; the payment of engineering, legal, fiscal and administrative costs incident to the foregoing; and the payment of costs incident to the issuance and sale of the Bonds; and

WHEREAS, it is the intention of the Board of County Commissioners to adopt this resolution for the purpose of authorizing not to exceed \$17,000,000 in aggregate principal amount of said bonds, 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 and interest thereon.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, 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" shall mean not to exceed \$17,000,000 School Bonds, Series 1998 of the County, to be dated December 1, 1998, or such other name, date and series designation as shall be designated by the County Executive pursuant to Section 7 hereof, authorized to be issued by this resolution;

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

(c) "County" shall mean Sullivan County, Tennessee;

(d) "Governing Body" shall mean the Board of County Commissioners of the County;

(e) "Project" shall mean purchase of sites for school buildings and facilities; constructing, furnishing and equipping of school buildings and facilities located in the County; and the payment of engineering, legal, fiscal and administrative costs incident to the foregoing;

(f) "Registration Agent" shall mean First Tennessee Bank National Association, Memphis, Tennessee, the registration and paying agent for the Bonds or any successor designated by the Governing Body.

Section 3. Authorization and Terms of the Bonds. For the purpose of providing funds to pay the costs of the Project, to provide funds required to be shared with the Cities pursuant to Section 49-3-1003 (b)(1), Tennessee Code Annotated, and to pay costs incident to the issuance and sale of the Bonds, as more fully set forth in Section 8 hereof, there are hereby authorized to be issued school bonds of the County in the aggregate principal amount not to exceed \$17,000,000. The Bonds shall be issued in fully registered form shall be known as "School Bonds" and each Bond shall be dated December 1, 1998, or such other designation and dated date as shall be established pursuant to Section 7 hereof. The Bonds shall bear interest at a rate or rates not to exceed six percent (6.00%) per annum, payable semi-annually on the first day of April and October in each year commencing October 1, 1999. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. The Bonds shall mature serially and be payable on April 1 of each year as follows (subject to the adjustments permitted pursuant to Section 8 hereof):

Years	Amounts
2011	635,000.00
2012	700,000.00
2013	770,000.00
2014	850,000.00
2015	935,000.00
2016	1,025,000.00
2017	1,115,000.00
2018	1,215,000.00
2019	1,320,000.00
2020	1,435,000.00
2021	1,550,000.00
2022	1,680,000.00
2023	1,815,000.00
2024	1,955,000.00

Bonds maturing April 1, 2000 through April 1, 2008, inclusive, shall mature without option of prior redemption. Bonds maturing April 1, 2009 and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and thereafter, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date, or such other redemption dates and redemption prices as may be determined pursuant to Section 7 hereof.

Pursuant to Section 7 hereof, the County Executive is authorized to sell the Bonds, or any maturities thereof, as term Bonds with mandatory redemption requirements. In the event any or all the Bonds are sold as term Bonds, the County shall redeem such term Bonds on the redemption dates corresponding to the maturity dates set forth herein in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof. Bonds so redeemed shall be redeemed at a price of par plus accrued interest thereon to the date of redemption. The term Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may determine.

If less than all the Bonds shall be called for redemption, the Governing Body, in its discretion, shall designate the maturity or maturities which will be redeemed, and, if less than all the Bonds of a single maturity shall be called for redemption, 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 may determine.

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 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. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Bonds and, in the case of optional redemption, as and when directed by the County pursuant to written instructions from an authorized representative of the County 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.

The Governing Body hereby authorizes and directs the Registration Agent to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the County, 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 earliest redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such

written agreement between the County and the Registration Agent as they shall deem necessary or 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.

The Bonds shall be payable, principal and interest, in lawful money of the United States of America at the principal corporate trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds 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 check or draft mailed 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 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.

Any interest on any Bond which 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.

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 Bonds 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 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. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

The Bonds shall be signed by the County Executive and attested by the County Clerk by their respective manual or facsimile signatures, and shall have imprinted thereon a facsimile of the corporate seal of the County.

The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser thereof or as it may designate 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.

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

Section 5. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF SULLIVAN
SCHOOL BONDS, SERIES _____

Interest Rate: ___ Maturity Date: ___ Date of Bond: _____ CUSIP No.:

December 1, 1998

Registered Owner:
Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Sullivan County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth or earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 1999, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of First Tennessee Bank National Association, Memphis, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the

fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

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

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

SULLIVAN COUNTY

BY: _____ (Facsimile)
County Executive

(FACSIMILE SEAL)

ATTESTED:

(Facsimile)
County Clerk

Transferable and payable at the
principal corporate trust office of: First Tennessee Bank National Association
Memphis, Tennessee

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

Date of Registration: _____

FIRST TENNESSEE BANK NATIONAL ASSOCIATION
Registration Agent

By: _____
Authorized Officer

(Form of Reverse Side of Bond)

The Bonds of the issue of which this Bond maturing April 1, 2000 through April 1, 2008 shall mature without option of prior redemption. Bonds maturing April 1, 2009 and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 2008 and on any date thereafter at a redemption 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, and, if less than all of the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or in such other random manner as the Registration Agent in its discretion shall determine.

Notice of call for redemption 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. 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 herein.

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 denomination or 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 to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond; provided, the Registration Agent, at its option, may make transfers after any of said dates.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds to purchase sites for County school buildings and facilities; to construct, furnish and equip County school buildings and facilities; to pay engineering, legal, fiscal and administrative costs incident to the foregoing; to pay the costs incident to the issuance and sale of the Bonds; and to provide funds required to be shared with each incorporated city or town within the County pursuant to Section 49-3-1003(b)(1), Tennessee Code Annotated, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, the State of Tennessee, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on November 23, 1998 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of 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 a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, 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 corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

(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 Sullivan 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 6. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of 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 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 7. Sale of Bonds. (a) The Bonds shall be offered for public sale as required by law at a price of not less than ninety-nine percent (99%) of par, exclusive of original issue discount, plus accrued interest, as a whole or in part, from time to time, and may be offered in one or more emissions from time to time, as shall be determined by the County Executive in consultation with the County's financial advisor, J. C. Bradford & Co., Nashville, Tennessee.

(b) If the Bonds are sold in more than one emission, the County Executive is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Bonds less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Bonds authorized to be issued herein.

(c) The County Executive is further authorized to change the dated date of the Bonds or any emission thereof, to a date other than December 1, 1998, to determine the series designation of each emission of Bonds, to change the first interest payment date on the Bonds or any emission thereof to a date other than October 1, 1999, to adjust the principal and interest payment dates and maturity amounts of the Bonds or any emission thereof, provided the total principal amount of all emissions of the Bonds does not exceed the total amount of Bonds authorized herein, to change the County's optional redemption provisions of the Bonds, provided the redemption premium, if any, shall not exceed two percent (2%) of the par amount of the Bonds called for redemption, to sell the Bonds or any maturities thereof as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Executive, as he shall deem most advantageous to the County, and to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the County.

(d) The County Executive is further authorized to sell the Bonds simultaneously with the County's General Obligation Capital Outlay Notes, Series 1998 authorized to be issued on the date hereof by resolution of the Governing Body and with any other series of school bonds authorized to be issued by this resolution.

(e) The County Executive is authorized to award the Bonds to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on none of the Bonds exceeds six percent (6%) per annum. The award of the Bonds by the County Executive to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. The form of the Bond set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof.

(f) The County Executive and 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 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. The County Executive and County Clerk are hereby authorized to enter into a contract with J. C. Bradford & Co., Nashville, Tennessee, for financial advisory services in connection with the sale of the Bonds.

Section 8. Disposition of Bond Proceeds. From the proceeds of the sale of the Bonds, all accrued interest shall be deposited to the appropriate fund of the County to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

The County Executive and the County Clerk, or either of them, are authorized to cause to be determined the amount of proceeds of the Bonds required to be shared with each incorporated city or town within the County pursuant to Section 49-3-1003(b)(1), Tennessee Code Annotated, and to cause the amounts so determined to be paid over to the treasurer of each City.

The remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the School Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Project. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be paid to the County Trustee and shall be used to pay principal of and interest on the Bonds. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be placed in the Construction Fund or transferred to the County Trustee to be deposited in the County's debt service fund as directed by the County Executive.

Section 9. Official Statement. The County Executive and County Clerk, or either of them, working with the County's financial advisor, J. C. Bradford & Co., are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the County Executive and County Clerk, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(b)(3) of the Securities and Exchange Commission. The County Executive and County Clerk, or either of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The County Executive and 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 10. Arbitrage. 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 purposes of 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 "rebate amount" with respect to 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 being included in gross income for federal income tax purposes. The County Executive and 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 11. 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, to wit:

(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 Federal 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 Escrow 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal 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 Federal 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 Federal 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, Federal 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 12. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The County Executive is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating hereto. 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 its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performances.

Section 13. Qualified Tax-Exempt Obligations. To the extent the Bonds or any emission thereof, may be designated as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Code, the Governing Body hereby designates the Bonds or any such emission as "qualified tax-exempt obligations".

Section 14. 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 15. 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 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this twenty-third day of November, 1998.

County Executive

ATTEST:

County Clerk

SEAL

STATE OF TENNESSEE)

COUNTY OF SULLIVAN)

I, Jeanie Gammon, hereby certify that I am the duly qualified and acting County Clerk of Sullivan County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the governing body of the County held on November 23, 1998; 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 an amount not to exceed \$17,000,000 School Bonds of said County.

WITNESS my official signature and seal of said County this ____ day of November, 1998.

County Clerk

6497

The Board of County Commissioners of Sullivan County, Tennessee, met in a regular session on November 23, 1998, at 9:00 a.m., E.S.T., at the County Courthouse, Blountville, Tennessee, with Gil Hodges, County Executive, presiding.

The following Commissioners were present:

The following Commissioners were absent:

There were also present Jeanie Gammon, County Clerk and Larry Bailey, Director of Accounts and Budgets.

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

AYE:

NAY:

AND THEREUPON COUNTY COMMISSION ADJOURNED UPON MOTION MADE BY
COMM. CARTER AND SECONDED BY COMM. MORRELL TO MEET AGAIN IN REGULAR
SESSION DECEMBER 21, 1998.

GIL HODGES, COMMISSION CHAIRMAN