

February 15, 2002

Mr. Terry Erdman  
Regions Bank  
315 Union St.  
4<sup>th</sup> Floor  
Nashville, TN 37219

Dear Ms. Erdman,

Pursuant to your request, this letter provides the termination value under of the swap entered between Blount County and AMBAC Financial Services, Limited Partnership (AFS).

The termination value of the swap receivable/(payable) of Blount County due from/(to) AFS at January 31, 2002 was:

<u>Swap Start Date</u>	<u>Notional</u>	<u>Termination Value</u>
01/17/02	\$39,000,000	\$ (400,437)

To calculate the termination value(s) above, AFS utilizes a valuation model, which has been tested by AFS' external auditors. The model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value. The termination values provided take certain factors into consideration, including the assumption that Blount County is the entity requesting termination as documented in the Interest Rate Swap Agreement. These valuations are provided for information purposes only and are intended solely for the use of Blount County.

The termination values quoted above are indicative amounts and should not be construed as (i) the actual terms at which a new transactions could be entered into, (ii) the actual terms at which existing transactions could be liquidated or unwound or (iii) the calculation or estimate of an amount that would be payable following the designation of an Early Termination Date as defined in the Interest Rate Swap Agreement. Actual fair values will depend on a variety of factors, including current market conditions and the circumstances in which the transactions are terminated, as more fully detailed in the Interest Rate Swap Agreement.

If you have any questions regarding this letter, please do not hesitate to contact me at (212) 208-3329.

Sincerely,

Damon Tortorello  
Assistant Vice President