

A RESOLUTION AUTHORIZING THE NOVATION OF CERTAIN INTEREST RATE SWAP AGREEMENTS HERETOFORE ENTERED INTO AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO SUCH NOVATED SWAP AGREEMENTS.

WHEREAS, The Public Building Authority of Blount County, Tennessee (the "Authority") has been formed pursuant to Chapter 10 of Title 12 of Tennessee Code Annotated (the "Act") for the purposes set forth in the Act; and

WHEREAS, pursuant to the provisions of the Act, the Authority is authorized to enter into loan agreements (each a "Loan Agreement", and collectively, "Loan Agreements") with incorporated cities or towns, counties, metropolitan governments, school districts or other municipal, governmental bodies or political subdivisions in the State of Tennessee and any agency, authority, corporation or instrumentality thereof (each a "Borrower", and collectively, "Borrowers") for the purpose of financing or refinancing the costs of any undertaking which is eligible to be financed by bonds, notes or other obligations of a Borrower (each a "Project", and collectively, "Projects") whereby each such Loan Agreement shall be secured either by a pledge by the Borrower executing such Loan Agreement of its full faith and credit and unlimited taxing power with respect to all or a portion of the taxable property located within its geographic boundaries to the payment of amounts payable under a Loan Agreement or by a pledge of other revenues or amounts specified therein; and

WHEREAS, pursuant to the provisions of the Act, the Authority may from time to time authorize the issuance and sale of its revenue bonds to provide funds to make loans to a Borrower under a Loan Agreement for the purpose of financing, refinancing, acquiring, erecting, extending, improving, equipping or repairing any Project, acquiring sites necessary and convenient for such Project, paying architectural, engineering, legal and financing expenses, and funding interest on such revenue bonds during construction of any Project and for up to six (6) months after the estimated date of completion of such Project; and

WHEREAS, pursuant to the provisions of the Act, the Authority has heretofore issued the bonds identified on Exhibit A hereto (each series of bonds identified on Exhibit A being herein referred to as a "Series of Bonds"); and

WHEREAS, the Authority, pursuant to the trust indenture, resolution or other similar document applicable to each Series of Bonds (the "Applicable Indenture"), has heretofore entered into the interest rate swap agreements (the "Existing Swaps") with Ambac Financial Services, L.P. (as subsequently succeeded by Ambac Financial Services, LLC, "AFSLLC") identified on Exhibit A attached hereto; and

WHEREAS, the obligations of AFSLLC and the Authority under each of the Existing Swaps has been insured by Ambac Assurance Corporation ("Ambac"); and

WHEREAS, the rating of Ambac has been downgraded multiple times by the major credit rating agencies since the Existing Swaps were entered into; and

WHEREAS, AFSLLC has expressed an interest in novating the Existing Swaps either (i) to Morgan Keegan Financial Products, Inc. ("MKFP") as swap counterparty with Deutsche Bank AG, New York Branch ("DB"), as credit support provider or (ii) to DB as swap counterparty, and in either case the relevant party or parties expect to earn a profit in connection with the Novated Swap Agreements; and

WHEREAS, such novation of the Existing Swaps would result in (i) AFSLLC being released from liability thereunder, (ii) Ambac being released from liability under its insurance policies relating thereto, and (iii) in the event that a Novated Swap Agreement is thereafter terminated in connection with the refunding of a Series of Bonds or otherwise, any amount owed by or to the Authority (which, in the case of amounts owed by the Authority, would be paid from amounts owed by the Borrower pursuant to the corresponding Loan Agreement) being determined in accordance with, and payable to or by MKFP or DB pursuant to, the Novated Swap Agreement rather than to or by AFSLLC pursuant to and in accordance with the related Existing Swap; and

WHEREAS, the office of the Comptroller of the Treasury of the State of Tennessee has issued its report on the novation of the Existing Swaps as indicated by the letter attached hereto as Exhibit B; and

WHEREAS, each Applicable Indenture requires that the Authority approve by resolution a Swap Agreement (as defined in the Applicable Indenture) in substantially the form presented to the Board of Directors of the Authority as a condition precedent to entering into a Swap Agreement; and

WHEREAS, there has been presented to this meeting the form of the following documents (collectively, an "MKFP/DB Novated Swap Agreement"):

- (1) International Swap Dealers Association, Inc. ("ISDA") Master Agreement between the Authority and MKFP
- (2) Schedule to Master Agreement between the Authority and MKFP
- (3) Novation Confirmation by and among AFSLLC, MKFP and the Authority, and acknowledged by the Borrower, the Trustee and Ambac
- (4) Replacement Transaction Agreement by and among MKFP, the Authority and DB
- (5) ISDA Credit Support Annex between DB and the Authority;

and

WHEREAS, there has been presented to this meeting the form of the following documents (collectively, a "DB Novated Swap Agreement" and, together with the MKFP/DB Novated Swap Agreement, a "Novated Swap Agreement"):

- (1) ISDA Master Agreement between the Authority and DB
- (2) Schedule to Master Agreement between the Authority and DB
- (3) ISDA Credit Support Annex between DB and the Authority
- (4) Novation Confirmation by and among AFSLLC, DB and the Authority, and acknowledged by the Borrower, the Trustee and Ambac

WHEREAS, the economic terms (including any fixed interest rate payable by the Authority, the cost of which is borne by the Borrower pursuant to the corresponding Loan Agreement, and any variable rate payable to the Authority) provided in the novation confirmation of the Novated Swap Agreement will remain the same as in the Existing Swaps (other than any increase to provide for the costs of any advisor fees or expenses, to the extent applicable), but certain credit terms (including a new additional termination event based upon the credit quality of the Borrower) will be changed due to the novation to a new swap counterparty with a different credit support provider, if applicable, and the absence of an insurance policy insuring the obligations of the Authority;

WHEREAS, with respect to certain Borrowers, there may currently be in effect one or more transactions ("Outstanding MKFP/DB Swaps") entered into pursuant to a swap agreement previously entered into on behalf of such Borrowers by the Authority and MKFP, with DB as its credit support provider, and MKFP, DB, the Authority and such Borrowers may wish to amend such Outstanding MKFP/DB Swaps ("MKFP/DB Swap Amendments") so that they are thereafter in effect under the MKFP/DB Novated Swap Agreement, and

WHEREAS, for the purpose of authorizing the delivery of a Novated Swap Agreement in connection with all or a portion of a Series of Bonds upon request of a Borrower and upon receipt by the Trustee under the Applicable Indenture of the documents required pursuant to the Applicable Indenture, and authorizing the execution and delivery of such documents and certificates as shall be necessary to consummate the Novated Swap Agreement and, if applicable, the MKFP/DB Swap Amendments, the Board of Directors of the Authority adopts this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Public Building Authority of Blount County, Tennessee, as follows:

Section 1. Approval of Form of Novated Swap Agreement. The form, terms and provisions of the Novated Swap Agreement (which, upon execution, will constitute a Swap Agreement as that term is defined in the Applicable Indenture and corresponding Loan Agreement), substantially in the forms presented to this meeting, are hereby approved, and the Chairman or Vice-Chairman and the Secretary or Assistant Secretary are hereby authorized, empowered and directed to execute and deliver such portions of the Novated Swap Agreement to which the Authority is intended to be a party (i) with MKFP as swap counterparty and DB as

credit support provider (each of which will become a Swap Counterparty as that term is defined in the Applicable Indenture and corresponding Loan Agreement) or (ii) with DB as swap counterparty (which will become a Swap Counterparty as that term is defined in the Applicable Indenture and corresponding Loan Agreement), upon request of a Borrower and upon fulfillment of the conditions set forth in the Applicable Indenture, in the name and on behalf of the Authority, in substantially the forms now before this meeting, with such changes therein as shall be approved by the Chairman or Vice-Chairman and the Secretary or Assistant Secretary, their execution thereof to constitute conclusive evidence of their approval of any and all such changes. The Chairman or Vice-Chairman and the Secretary or Assistant Secretary are hereby authorized, empowered and directed to execute and deliver such portions of any MKFP/DB Swap Amendment to which the Authority is intended to be a party with MKFP as swap counterparty and DB as credit support provider, upon request of a Borrower, in the name and on behalf of the Authority, in such form as shall be approved by the Chairman or Vice-Chairman and the Secretary or Assistant Secretary, their execution thereof to constitute conclusive evidence of their approval of any and all such amendments. From and after, and in connection with, the execution and delivery of a Novated Swap Agreement or any MKFP/DB Swap Amendment, if applicable, the officers of the Authority, or any of them, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Novated Swap Agreement as executed.

Section 2. Additional Authorizations. All acts and doings of the Chairman or Vice-Chairman and the Secretary or Assistant Secretary of the Authority and any other officer of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of a Novated Swap Agreement or any MKFP/DB Swap Amendment, if applicable, and the execution and delivery of the documents as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 3. Acknowledgment of Relationship of Certain Parties. Morgan Keegan & Company, Inc. has acted as underwriter and may continue to act as either remarketing agent (for variable rate demand bonds) or broker-dealer (for auction rate securities) with respect to some or all of the Series of Bonds listed on Exhibit A hereto. MKFP is a wholly-owned subsidiary of MK Holding, Inc. Morgan Keegan & Company, Inc. and MK Holding, Inc. are each a wholly-owned subsidiary of Regions Financial Corporation. Regions Bank is a wholly-owned subsidiary of Regions Financial Corporation and acts as Trustee and Credit Provider with respect to some or all of the Series of Bonds listed on Exhibit A hereto. The President of TN-LOANS Program Administrators, Inc. is also an officer of Morgan Keegan & Company, Inc. In addition to serving as the underwriter to the Authority in connection with the Series of Bonds, Morgan Keegan & Company, Inc. may have served as financial or swap advisor to a Borrower in connection with previous transactions (including the Existing Swaps). Neither Morgan Keegan & Company, Inc. nor any affiliate thereof (including MKFP) is acting as an advisor to the Authority or any Borrower in connection with any Novated Swap Agreement or any MKFP/DB Swap Amendment.

Section 4. Authorized Authority Representative. Any officer of the Authority is hereby authorized to act as Authorized Authority Representative under the Applicable Indentures applicable to each Series of Bonds.

Section 5. Severability. 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 6. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 4th day of September, 2009.

Chairman

ATTEST:

Secretary

EXHIBIT A - Swaps

- Ambac Issues Only

The Public Building Authority of Blount County, Tennessee

<u>Borrower</u>	<u>Bond Series</u>	<u>Date of Existing Swap</u>	<u>Original Notional Amount of Swap</u>
City of Alcoa, Tennessee	Series A-1-C	12/28/2001	\$11,500,000
Blount County, Tennessee	Series A-1-A	01/17/2002	20,000,000
Blount County, Tennessee	Series A-5-A	10/15/2003	10,000,000
Blount County, Tennessee	Series A-3-A	01/17/2002	25,000,000
Blount County, Tennessee	Series C-2-A	10/15/2003	30,700,000
Blount County, Tennessee	Series B-A-4	02/23/2005	10,000,000
Blount County, Tennessee	Series D-1-B	12/28/2005	14,000,000
City of Cleveland, Tennessee	Series A-2-A	12/28/2001	11,175,000
Town of Greeneville, Tennessee	Series A-1-D	12/28/2001	6,000,000
Hamblen County, Tennessee	Series A-2-B	01/17/2002	10,000,000
Johnson County, Tennessee	Series A-5-B	05/05/2004	2,135,000
Knox County, Tennessee	Series C-1-A	06/25/2004	71,800,000
City of Maryville, Tennessee	Series A-1-E	12/28/2001	5,000,000
Morgan County, Tennessee	Series A-2-D	02/13/2002	10,000,000
City of Sevierville, Tennessee	Series A-2-E	12/28/2001	8,000,000

STATE OF TENNESSEE)

COUNTY OF BLOUNT)

I, Kirk Andrews, hereby certify that I am the duly qualified and acting Secretary of The Public Building Authority of Blount County, Tennessee, and as such official, I further certify that attached hereto is a copy of the excerpts from the minutes of the meeting of the Authority held on September 4, 2009; that I have compared said copy with the original minute records insofar as said original records related to authorization of the novation of interest rate swap agreements.

WITNESS my official signature and the seal of my office on this 4th day of September, 2009.

Secretary

(SEAL)

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EXHIBIT B

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF LOCAL FINANCE
SUITE 1110 414 UNION STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 532-7207 FAX (615) 532-5232

August 20, 2009

Mr. Jeffrey W. Hodge, Chairman
The Public Building Authority of Blount County
381 Court Street
Maryville, TN 37804

Dear Mr. Hodge:

This will acknowledge receipt of your letter dated August 19, 2009 concerning compliance reports previously issued by this office relating to interest rate swap agreements. Such agreements were entered into in accordance with Guidelines adopted by the State Funding Board and were associated with loans made to various government entities in Tennessee pursuant to Title 12, Chapter 10, Tennessee Code Annotated. The Guidelines for interest rate swap agreements have certain requirements with regard to ratings of counterparties, guarantors, sureties and other credit enhancement providers. At the time our office issued the compliance reports, the supporting documentation indicated the requirements of the Guidelines were satisfied.

Because of drastic changes which have occurred in the financial community over the past two years, it appears that it could be beneficial for a public building authority and associated local government borrowers to have an option to enter into a novation (assignment) of an interest rate swap agreement from an existing counterparty/credit support provider to a counterparty/credit support provider who has a higher credit rating or whose rating may be more stable than that of the existing counterparty/credit support provider. You have stated that, with regard to any novation considered by the Public Building Authority of Blount County, "the basic terms of the Swap Agreement, including payment terms (other than a potentially slight increase in the fixed rate to include the cost of a swap advisor), final maturity, and related outstanding debt obligations will remain the same. The method for determining the amount of the termination payment and certain other terms will also remain the same or be more beneficial to the Borrower, although some credit terms may be more restrictive. Counterparty and credit enhancement provider ratings will continue to be met." There may be certain costs associated with any novation; these will be determined through negotiations between the Authority, the local government borrowers and the related parties.

Based on the information we have received, this letter is to confirm that it is our opinion that the novation of an interest rate swap agreement as described to us is in accordance with the Funding Board Guidelines and does not require any additional information to be submitted to this office nor does it require any modification of previous compliance reports issued by this office. This letter of confirmation is effective until December 31, 2009.

It is our understanding that all applicable local governments---those who have loan agreements with the Authority who also have entered into interest rate swap agreements related to those loans---will be advised that they may have the option of participating in the novation process. Local government officials should also be advised that any decision to do so is solely their responsibility and should be made only after they have considered any options available to them. Such options would include remaining in the existing swap, terminating the swap, or proceeding with a novation of the swap. A local government may desire to use the services of a third-party swap consultant. This is not required and would likely result in some cost to the local government.

Sincerely,

/s/

David H. Bowling
Director of Local Finance

DHB:laa



FINANCIAL PRODUCTS

September 29, 2009

The Public Building Authority of Sevier County, Tennessee
c/o Ronald E. Sharp
Sharp & Ripley PLLC
Mill Corner Place, Suite 7
248 Bruce Street
Sevierville, TN 37864-4630

David R. Bennett, CPA, CGFM
Assistant County Mayor/Finance Director
Blount County Government
341 Court Street
Maryville, TN 37804

**RE: Blount County, Tennessee
Novation of Interest Rate Swap**

Dear Authority/County:

Echo Financial Products, LLC ("Echo") has served as swap advisor to the Public Building Authority of Sevier County, Tennessee (the "Authority") with regard to the novation of an interest rate swap (the "Swap") from Ambac Financial Services LP ("AFSLP") to DeutscheBank AG ("Deutsche"). The Swap was originally entered into by the Authority on behalf of Blount County, Tennessee (the "County") on January 17, 2002 relating to the Authority's Local Government Public Improvement Bonds, Adjustable Rate Series IV-C-1. Due to rating downgrades of the swap credit enhancer and AFSLP, the County was facing uncertainty with respect to potential termination events which could arise out of further credit deterioration of AFSLP and/or the Swap insurer. Morgan Keegan Financial Products ("MKFP") and Deutsche, recognizing the potential for future termination events, proposed a novation of the Swap as a proactive means to address what could develop into future challenges for the County. In its capacity as the swap advisor to the Authority, Echo analyzed the MKFP/Deutsche proposal and endeavored to assist the County in its evaluation of the opportunity, other specific available alternatives and the benefits and considerations of each.

The alternatives which were discussed in detail included, but were not limited to, the following:

- Allowing the existing Swap with AFSLP to remain in place;

- Terminating the Swap at a discounted value¹ (from mid-market) and (i) allowing the related bonds to remain unhedged in a floating rate mode, or (ii) refinancing with a conventional fixed rate bond issue;
- Novating the Swap to a replacement counterparty other than MKFP/Deutsche (or terminating the Swap at a discount and executing a replacement swap with a new counterparty);
- Novating the Swap to Deutsche directly rather than to MKFP backed by Deutsche;
- Novating to MKFP backed by Deutsche.

Based upon its own analysis of the available options and information provided by MKFP, Deutsche, Echo, Bass, Berry & Sims and others, the County elected to move forward with a novation of the Swap from AFSLP directly to Deutsche.

A conference call was held at approximately 11:00am EDT on September 29, 2009 to discuss the details of the proposed Novation. On the call were representatives from the County, AFSLP, MKFP, Deutsche, Echo and Bass, Berry & Sims. At such time, the economics of the novation were determined and fully disclosed to all parties as follows:

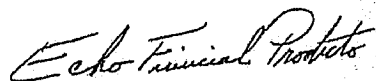
Swap IV-C-1

Mid-Market Swap Valuation:	\$5,593,000
Present Value of 1 basis point (0.01%):	\$37,600
Discount to Deutsche from AFSLP (32bps):	\$1,203,200
Net Novation Payment from Deutsche to AFSLP:	\$4,389,800

The County verbally approved the terms of the novation on this conference call at which time the novation was executed.

The County elected to novate the Swap to Deutsche based upon its own evaluation of information provided by MKFP, Deutsche, Echo, Bass, Berry & Sims and others. For its services, Echo will be paid a fee of \$1,000 by Deutsche on behalf of the Authority. This fee will be deducted from the net proceeds of the novation and will result in no impact to the Authority/County. Echo makes no representation that it has investigated every possible alternative which may or may not have been available to the County at such time. Our consultations with the County used a best efforts/good faith attempt at presenting known alternatives and the benefits and considerations of each. We did not inquire whether any other specific counterparty may have executed the novation under terms that would have been more advantageous to the County. Echo is not an agent or affiliate of Deutsche. We are not rendering an opinion on the suitability of the Swap or the ultimate financial outcome of this transaction, which will rely on financial and legal circumstances that are impossible to predict.

Sincerely,



Echo Financial Products

Cc: Mark Mamantov, Bass, Berry & Sims PLC

¹ AFSLP indicated to Echo that the discount which would be extended to the County in a direct termination would be a fraction of that afforded to Deutsche as the novated counterparty. This is due, in large part, to the fact that Deutsche was willing to act as a hedge adding value that the County itself could not provide.



FINANCIAL PRODUCTS

September 29, 2009

The Public Building Authority of Blount County, Tennessee
c/o Norman H. Newton
Crawford, Crawford & Newton
First Tennessee Bank Bldg., Suite 206
101 W. Broadway
P.O. Box 4338
Maryville TN 37802-4338

David R. Bennett, CPA, CGFM
Assistant County Mayor/Finance Director
Blount County Government
341 Court Street
Maryville, TN 37804

**RE: Blount County, Tennessee
Novation of Interest Rate Swaps**

Dear Authority/County:

Echo Financial Products, LLC ("Echo") has served as swap advisor to the Public Building Authority of Blount County, Tennessee (the "Authority") with regard to the novation of an interest rate swaps (the "Swaps") from Ambac Financial Services LP ("AFSLP") to DeutscheBank AG ("Deutsche"). The Swaps were originally entered into by the Authority on behalf of the Blount County, Tennessee (the "County") as listed below and relating to the Authority's Local Government Public Improvement Bonds also as shown below

<u>Effective Date</u>	<u>Bond Series</u>
January 17, 2002	Adjustable Rate Series, A-1-A (the "A-1-A Swap")
January 17, 2002	Adjustable Rate Series, A-3-A (the "A-3-A Swap")
October 15, 2003	Adjustable Rate Series, A-5-A (the "A-5-A Swap")
October 15, 2003	Adjustable Rate Series, C-2-A (the "C-2-A Swap")
February 25, 2005	Adjustable Rate Series, B-A-4 (the "B-A-4 Swap")
December 28, 2005	Adjustable Rate Series, D-1-B (the "D-1-B Swap")

Due to rating downgrades of the swap credit enhancer and AFSLP, the County was facing uncertainty with respect to potential termination events which could arise out of further credit deterioration of AFSLP and/or the Swaps insurer. Morgan Keegan Financial Products (“MKFP”) and Deutsche, recognizing the potential for future termination events, proposed a novation of the Swaps as a proactive means to address what could develop into future challenges for the County. In its capacity as the swap advisor to the Authority, Echo analyzed the MKFP/Deutsche proposal and endeavored to assist the County in its evaluation of the opportunity, other specific available alternatives and the benefits and considerations of each.

The alternatives which were discussed in detail included, but were not limited to, the following:

- Allowing the existing Swaps with AFSLP to remain in place;
- Terminating the Swaps at a discounted value¹ (from mid-market) and (i) allowing the related bonds to remain unhedged in a floating rate mode, or (ii) refinancing with a conventional fixed rate bond issue;
- Novating the Swaps to a replacement counterparty other than MKFP/Deutsche (or terminating the Swap at a discount and executing a replacement swap with a new counterparty);
- Novating the Swaps to Deutsche directly rather than to MKFP backed by Deutsche;
- Novating to MKFP backed by Deutsche.

Based upon its own analysis of the available options and information provided by MKFP, Deutsche, Echo, Bass, Berry & Sims and others, the County elected to move forward with a novation of the Swaps from AFSLP directly to Deutsche.

A conference call was held at approximately 11:00am EDT on September 29, 2009 to discuss the details of the proposed Novations. On the call were representatives from the County, AFSLP, MKFP, Deutsche, Echo and Bass, Berry & Sims. At such time, the economics of the novation of each Swap were determined and fully disclosed to all parties. The economics for each is as listed below:

Swap A-1-A

Mid-Market Swap Valuation:	\$4,403,000
Present Value of 1 basis point (0.01%):	\$29,600
Discount to Deutsche from AFSLP (32bps):	\$947,200
Net Novation Payment from Deutsche to AFSLP:	\$3,455,800

Swap A-3-A

Mid-Market Swap Valuation:	\$4,440,000
Present Value of 1 basis point (0.01%):	\$28,650
Discount to Deutsche from AFSLP (32bps):	\$916,800
Net Novation Payment from Deutsche to AFSLP:	\$3,523,200

Swap A-5-A

Mid-Market Swap Valuation:	\$1,588,000
Present Value of 1 basis point (0.01%):	\$14,300

¹ AFSLP indicated to Echo that the discount which would be extended to the County in a direct termination would be a fraction of that afforded to Deutsch as the novated counterparty. This is due, in large part, to the fact that Deutsche was willing to act as a hedge adding value that the County itself could not provide.

Discount to Deutsche from AFSLP (32bps): \$457,600
Net Novation Payment from Deutsche to AFSLP: \$1,130,400

Swap C-2-A

Mid-Market Swap Valuation: \$4,512,000
Present Value of 1 basis point (0.01%): \$41,000
Discount to Deutsche from AFSLP (32bps): \$1,312,000
Net Novation Payment from Deutsche to AFSLP: \$3,200,000

Swap B-A-4

Mid-Market Swap Valuation: \$856,000
Present Value of 1 basis point (0.01%): \$13,500
Discount to Deutsche from AFSLP (32bps): \$432,000
Net Novation Payment from Deutsche to AFSLP: \$424,000

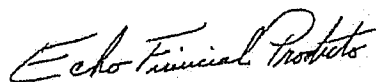
Swap D-1-B

Mid-Market Swap Valuation: \$1,587,000
Present Value of 1 basis point (0.01%): \$17,200
Discount to Deutsche from AFSLP (32bps): \$550,400
Net Novation Payment from Deutsche to AFSLP: \$1,036,600

The County verbally approved the terms of the novations on this conference call at which time the novations were executed.

The County elected to novate the Swaps to Deutsche based upon its own evaluation of information provided by MKFP, Deutsche, Echo, Bass, Berry & Sims and others. For its services, Echo will be paid an aggregate fee of \$9,000 (\$4,000 for the initial novation and \$1,000 for each subsequent novation) by Deutsche on behalf of the Authority. This fee will be deducted from the net proceeds of the novations and will result in no impact to the Authority/County. Echo makes no representation that it has investigated every possible alternative which may or may not have been available to the County at such time. Our consultations with the County used a best efforts/good faith attempt at presenting known alternatives and the benefits and considerations of each. We did not inquire whether any other specific counterparty may have executed the novations under terms that would have been more advantageous to the County. Echo is not an agent or affiliate of Deutsche. We are not rendering an opinion on the suitability of the Swaps or the ultimate financial outcome of these transactions, which will rely on financial and legal circumstances that are impossible to predict.

Sincerely,



Echo Financial Products

Cc: Mark Mamantov, Bass, Berry & Sims PLC