

BLACKROCK INVESTMENT QUALITY MUNICIPAL TRUST INC  
Form N-CSR  
July 06, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES**

Investment Company Act file number 811-07354

Name of Fund: BlackRock Investment Quality Municipal Trust, Inc. (BKN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock  
Investment Quality Municipal Trust, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2011

Date of reporting period: 04/30/2011

Item 1 Report to Stockholders

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**April 30, 2011**

## Annual Report

BlackRock Investment Quality Municipal Trust Inc. (BKN)

BlackRock Long-Term Municipal Advantage Trust (BTA)

BlackRock Municipal 2020 Term Trust (BKK)

BlackRock Municipal Income Trust (BFK)

BlackRock Pennsylvania Strategic Municipal Trust (BPS)

BlackRock Strategic Municipal Trust (BSD)

**Not FDIC Insured No Bank Guarantee May Lose Value**

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## Dear Shareholder

Time and again, we have seen how various global events and developing trends can have significant influence on financial markets. I hope you find that the following review of recent market conditions provides additional perspective on the performance of your investments as you read this shareholder report.

Over the past 12 months, we have seen a sluggish, stimulus-driven economic recovery at long last gain real traction, accelerate, and transition into a consumption-driven expansion. For the most part, 2010 was plagued with widely fluctuating economic data, but as the year drew to a close, it became clear that cyclical stimulus had beaten out structural problems as economic data releases generally became more positive and financial markets showed signs of continuing improvement. Although the sovereign debt crisis in Europe and high inflation in developing markets that troubled the global economy in 2010 remain challenges today, overall investor confidence has improved considerably. During the first four months of 2011, that confidence was shaken by political turmoil in the Middle East/North Africa region, soaring prices of oil and other commodities, tremendous natural disasters in Japan and a change in the ratings outlook for US debt. However, strong corporate earnings prevailed and financial markets resumed their course while the global economy continued to garner strength.

Equity markets experienced uneven growth and high volatility in 2010, but ended the year with gains. Following a strong start to 2011, the series of confidence-shaking events brought spurts of heightened volatility to markets worldwide, but was not enough to derail the bull market. Overall, global equities posted strong returns over the past 12 months. Emerging market equities, which had outperformed developed markets earlier in the period, fell prey to heightened inflationary pressures and underperformed developed markets later in the period. In the United States, strong corporate earnings and positive signals from the labor market were sources of encouragement for equity investors, although the housing market did not budge from its slump. Early in 2011, the US Federal Reserve announced that it would continue its Treasury purchase program ("QE2") through to completion and keep interest rates low for an extended period. This compelled investors to continue buying riskier assets, furthering the trend of small cap stocks outperforming large caps.

While fixed income markets saw yields trend lower (pushing bond prices higher) through most of 2010, the abrupt reversal in investor sentiment and risk tolerance in the fourth quarter drove yields sharply upward. Global credit markets were surprisingly resilient in the face of recent headwinds and yields regained relative stability as the period came to a close. Yield curves globally remained steep by historical standards and higher-risk sectors continued to outperform higher-quality assets. The tax-exempt municipal market enjoyed a powerful rally during the period of low yields in 2010, but when that trend reversed, the market was dealt an additional blow as it became evident that the Build America Bond program would not be extended. Meanwhile, municipal finance troubles raised credit concerns among investors and tax-exempt mutual funds experienced heavy outflows, resulting in wider spreads and

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falling prices. The new year brought relief from these headwinds and a steady rebound in the tax-exempt municipal market.

Cash investments, as represented by the 3-month Treasury bill, returned only a fraction over 0% for the 12-month period as short-term interest rates remained low. Yields on money market securities remain near all-time lows.

<b>Risk Assets Rallied on Growing Investor Confidence: Total Returns as of April 30, 2011</b>	<b>6-month</b>	<b>12-month</b>
US large cap equities (S&P 500® Index)	16.36%	17.22%
US small cap equities (Russell 2000® Index)	23.73	22.20
International equities (MSCI Europe, Australasia, Far East Index)	12.71	19.18
Emerging market equities (MSCI Emerging Markets Index)	9.74	20.67
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.09	0.17
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	(3.85)	6.37
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	0.02	5.36
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	(1.68)	2.20
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.18	13.32

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

While no one can peer into a crystal ball and eliminate the uncertainties presented by the economic landscape and financial markets, BlackRock can offer investors the next best thing: partnership with the world's largest asset management firm that delivers consistent long-term investment results with fewer surprises. For additional market perspective and investment insight, visit [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine), where you'll find the most recent issue of our award-winning Shareholder® magazine, as well as its quarterly companion newsletter, Shareholder Perspectives. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

### For the Period Ended April 30, 2011

Twelve months ago, the municipal yield curve was much flatter than it is today, as investor concerns were focused on the possibility of deflation and a double-dip in the US economy. From April through September 2010, rates moved lower (and prices higher) across the curve, reaching historic lows in August when the yield on 5-year issues touched 1.06%, the 10-year reached 2.18%, and the 30-year was 3.67%. The market took a turn in October, with yields drifting higher (and prices lower) amid a perfect storm of events that ultimately resulted in the worst quarterly performance the municipal market had seen since the Fed tightening cycle of 1994. Treasury yields lost their support as concerns over the US deficit raised the question whether foreign investors would continue to purchase Treasury securities at historically low yields. Municipal valuations also suffered a quick and severe setback as it became evident that the Build America Bond ( BAB ) program would expire at the end of 2010. The program opened the taxable market to municipal issuers, which had successfully alleviated supply pressure in the traditional tax-exempt marketplace, bringing down yields in that space.

The financial media has been replete with interviews, articles and presentations depicting the stress experienced in municipal finance. This has resulted in a loss of confidence among retail investors, the traditional buyers of individual municipal bonds and mutual funds. From the middle of November through year-end, mutual funds specializing in tax-exempt bonds witnessed weekly outflows averaging over \$2.5 billion. Long-term and high-yield funds saw the greatest redemptions, followed by state-specific funds at a slower, yet still significant, pace. Political uncertainty surrounding the midterm elections and the approach taken by the new Congress on issues such as income tax rates, alternative minimum tax and the previously mentioned BAB expiration exacerbated the situation. All these conditions, combined with the seasonal illiquidity surrounding year-end holidays and dealers closing their fiscal books, sapped willing market participation from the trading community. December brought declining demand for municipal securities with no comparable reduction in supply. As it became evident that the BAB program would be retired, issuers rushed deals to market in the taxable and, to a lesser degree, traditional tax-exempt space. This imbalance in the supply/demand technicals provided the classic market reaction: wider quality spreads and higher bond yields.

Demand usually is strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds, with AMG Data Services showing \$19.9 billion of redemptions in the first four months of 2011. Since mid-November, outflows persisted for 24 consecutive weeks, totaling \$33.4 billion. Fortunately, lower supply in 2011 is offsetting the decline in demand. According to Thomson Reuters, through April, year-to-date new issuance was down 53% compared to the same period last year. Issuers have been reluctant to bring new deals to the market due to a number of

factors, including

higher interest rates, fiscal policy changes and a reduced need for municipal borrowing given the acceleration of some issuance into 2010 prior to the BAB

program's expiration. Accordingly, estimates for 2011 issuance have ratcheted down more than \$100 billion since the beginning of the year, when the initial consensus was \$350 billion.

Overall, the municipal yield curve steepened during the period from April 30, 2010 to April 30, 2011. As measured by Thomson Municipal Market Data, 30-

year yields on AAA-rated municipals rose 53 basis points ( bps ) to 4.58%, while yields for 5-year maturities rallied by 22 bps to 1.50%, and 10-year

maturities rallied by 9 bps to 2.85%. With the exception of the 2- to 5-year range, the spread between maturities increased over the past year, with the

greatest increase seen in the 5- to 30-year range, where the spread widened by 75 bps, while overall the slope between 2- and 30-year maturities

increased by 66 bps to 402 bps.

The fundamental picture for municipalities will be subject to scrutiny for months to come, as the challenges to state and local budgets are real and need to

be addressed with significant cuts to expenses and tax revenue increases. The debates around austerity measures needed to succeed in balancing these

budgets are not over whether action needs to be taken, but over the magnitude, approach and political will to accomplish these needs. The heightened

attention on municipal finance has the potential to improve this market for the future, especially if these efforts result in greater means toward disclosure

and accuracy (and timeliness) of reporting. Progress toward these fundamental changes may be tested in the near future, as California, Illinois and Puerto

Rico will soon need to take austerity measures and access financing in the municipal market to address immediate-term fiscal imbalances before their new

fiscal year begins in July. As the economy improves, tax receipts for states are rising and have begun to exceed budget projections. BlackRock maintains a

constructive view of the municipal market as we look beyond the interim challenges faced by states working to close their June 30 year-end shortfalls.

## Trust Summary as of April 30, 2011 **BlackRock Investment Quality Municipal Trust Inc**

### Trust Overview

BlackRock Investment Quality Municipal Trust Inc.'s (BKN) (the "Trust") investment objective is to provide high current income exempt from regular federal income tax consistent with the preservation of capital. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in securities rated investment grade at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned (0.61)% based on market price and 0.49% based on net asset value ("NAV"). For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.60)% based on market price and 0.10% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust's largest exposure was in the tax-backed sector, which was among the strongest performing sectors during the period, driving the Trust's positive performance. Also beneficial were the Trust's significant allocations to the corporate sector and pre-refunded debt, as those sectors exhibited strength. Detracting from performance was the Trust's exposure to the long end of the yield curve as interest rates rose during the period. While the Trust's holdings of long duration bonds (those with greater sensitivity to interest rates) and longer maturity bonds provided a higher level of yield, they underperformed shorter-dated securities in the rising interest rate environment. The Trust's overexposure to the underperforming health care sector and underexposure to the strong-performing housing sector also had a negative impact. The Trust uses interest rate futures contracts to hedge portfolio risk related to movements in interest rates. This strategy had a modestly negative impact on performance during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on New York Stock Exchange ("NYSE")	BKN
Initial Offering Date	February 19, 1993
Yield on Closing Market Price as of April 30, 2011 (\$13.08) <sup>1</sup>	7.71%
Tax Equivalent Yield <sup>2</sup>	11.86%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.084



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Current Annualized Distribution per Common Share <sup>3</sup>	\$1.008
Leverage as of April 30, 2011 <sup>4</sup>	39%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Auction Market Preferred Shares ("Preferred Shares") and tender option bond trusts ("TOBs") as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$13.08	\$14.19	(7.82)%	\$15.31	\$12.05
Net Asset Value	\$12.75	\$13.68	(6.80)%	\$14.45	\$11.94

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Health	27%	25%
County/City/Special District/School District	15	17
State	14	13
Education	12	10
Transportation	11	9
Utilities	7	9
Corporate	6	7
Housing	4	8
Tobacco	4	2

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa	3%	18%
AA/Aa	36	24
A	29	33
BBB/Baa	19	14
BB/Ba	2	1
B	1	3
CCC/Caa	1	—
Not Rated <sup>6</sup>	9	7

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<sup>5</sup> Using the higher of Standard & Poor's ("S&P's") or Moody's Investors Service ("Moody's") ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of April 30, 2011 and April 30, 2010, the market value of these securities was \$8,694,533 representing 2% and \$17,071,058 representing 5%, respectively, of the Trust's long-term investments.

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## Trust Summary as of April 30, 2011 **BlackRock Long-Term Municipal Advantage Trust**

### Trust Overview

BlackRock Long-Term Municipal Advantage Trust's (BTA) (the "Trust") investment objective is to provide current income exempt from regular federal income tax. The Trust seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in municipal obligations and derivative instruments with exposure to such municipal obligations, in each case that are exempt from federal income tax (except that the interest may be subject to the federal alternative minimum tax). The Trust has economic exposure to additional municipal bonds through its ownership of residential interest in tender option bonds, which are rated investment quality. The Trust invests, under normal market conditions, primarily in long-term municipal bonds with a maturity of more than ten years at the time of investment and, under normal market conditions, the Trust's municipal bond portfolio will have a dollar-weighted average maturity of greater than 10 years. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned 1.37% based on market price and (0.18)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.60)% based on market price and 0.10% based on NAV.

All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As interest rates rose and the yield curve steepened in the later part of the reporting period, the Trust's holdings of longer-dated bonds had a negative impact on performance. The Trust's high exposure to the health care sector and low exposure to tax-backed issues in the Far West and Mid-Atlantic regions also detracted.

Contributing positively to performance were security selection and sector allocation among corporates and transportation as well as tax-backed issues in the Great Lakes region.

Additional benefits were derived from portfolio holdings with shorter remaining terms to their maturity, which exhibited lower price volatility compared to longer-dated bonds during the period. The Trust uses interest rate futures contracts to hedge portfolio risk related to movements in interest rates. This strategy had a modestly negative impact on performance during the period.

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### Trust Information

Symbol on NYSE	BTA
Initial Offering Date	February 28, 2006
Yield on Closing Market Price as of April 30, 2011 (\$10.20) <sup>1</sup>	7.35%

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Tax Equivalent Yield <sup>2</sup>	11.31%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0625
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.7500
Leverage as of April 30, 2011 <sup>4</sup>	38%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to TOBs, minus the sum of accrued liabilities.

For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$10.20	\$10.77	(5.29)%	\$12.09	\$9.16
Net Asset Value	\$10.51	\$11.27	(6.74)%	\$11.75	\$9.71

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Health	18%	19%
Education	15	16
County/City/Special District/School District	14	14
Transportation	13	11
Utilities	12	10
Housing	9	9
State	9	10
Corporate	5	4
Tobacco	5	7

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa <sup>6</sup>	22%	16%
AA/Aa <sup>6</sup>	40	45
A <sup>6</sup>	9	9
BBB/Baa <sup>6</sup>	12	8
BB/Ba	1	2
B	2	2
CCC/Caa	—	1
Not Rated <sup>7</sup>	14	17

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> Through its investment in TOBs, the Trust has economic exposure to investment grade bonds.

<sup>7</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of April 30, 2011 and April 30, 2010, the market value of these securities was \$3,226,983 representing 1% and \$5,264,180 representing 2%, respectively, of the Trust's long-term investments.

## Trust Summary as of April 30, 2011 **BlackRock Municipal 2020 Term Trust**

### Trust Overview

BlackRock Municipal 2020 Term Trust's (BKK) (the "Trust") investment objectives are to provide current income exempt from regular federal income tax and to return \$15 per Common Share (the initial offering price per Common Share) to holders of Common Shares on or about December 31, 2020. The Trust seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned 6.29% based on market price and 5.96% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.60)% based on market price and 0.10% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust is managed to a 2020 termination date and therefore maintains a shorter maturity profile than its Lipper category competitors, generally. This shorter maturity profile was the primary driver of the Trust's strong performance for the period as interest rates declined in the intermediate range and short end of the yield curve. The Trust has limited exposure to the long end of the curve, where interest rates rose during the period, and therefore did not experience price declines of the same magnitude as did its Lipper category competitors with longer maturity profiles. Detracting from performance was the Trust's overexposure to the transportation sector, which was among the weaker performing sectors during the period.

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### Trust Information

Symbol on NYSE	BKK
Initial Offering Date	September 30, 2003
Termination Date (on or about)	December 31, 2020
Yield on Closing Market Price as of April 30, 2011 (\$15.06) <sup>1</sup>	4.96%
Tax Equivalent Yield <sup>2</sup>	7.63%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.06225

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Current Annualized Distribution per Common Share<sup>3</sup> \$0.74700

Leverage as of April 30, 2011<sup>4</sup> 37%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$15.06	\$14.89	1.14%	\$15.61	\$13.89
Net Asset Value	\$14.63	\$14.51	0.83%	\$15.36	\$14.01

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Corporate	19%	19%
Health	15	15
Transportation	13	11
Utilities	10	9
State	10	10
County/City/Special District/School District	10	15
Education	9	9
Tobacco	9	7
Housing	5	5

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa	12%	19%
AA/Aa	16	10
A	28	23
BBB/Baa	27	29
BB/Ba	4	3
B	4	4
CCC/Caa	1	—
Not Rated <sup>6</sup>	8	12

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment

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grade quality. As of April 30, 2011 and April 30, 2010, the market value of these securities was \$11,262,007 representing 2% and \$11,978,514 representing 3%, respectively, of the Trust's long-term investments.

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## Trust Summary as of April 30, 2011 **BlackRock Municipal Income Trust**

### Trust Overview

BlackRock Municipal Income Trust's (BFK) (the "Trust") investment objective is to provide current income exempt from regular federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned (1.07)% based on market price and (1.04)% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.60)% based on market price and 0.10% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. As interest rates rose and the yield curve steepened in the later part of the reporting period, the Trust's holdings of longer-dated bonds had a negative impact on performance. The Trust's high exposure to the health care sector and low exposure to tax-backed issues in the Far West and Mid-Atlantic regions also detracted. Contributing positively to performance were security selection and sector allocation among corporates and housing as well as tax-backed issues in the South East region. Additional benefits were derived from seasoned portfolio holdings with shorter remaining terms to their maturity, which exhibited lower price volatility compared to longer-dated bonds during the period. The Trust uses interest rate futures contracts to hedge portfolio risk related to movements in interest rates. This strategy had a modestly negative impact on performance during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on NYSE	BFK
Initial Offering Date	July 27, 2001
Yield on Closing Market Price as of April 30, 2011 (\$12.35) <sup>1</sup>	7.78%
Tax Equivalent Yield <sup>2</sup>	11.97%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0801
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9612
Leverage as of April 30, 2011 <sup>4</sup>	39%

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<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$12.35	\$13.44	(8.11)%	\$14.65	\$11.15
Net Asset Value	\$12.16	\$13.23	(8.09)%	\$13.79	\$11.51

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Health	20%	18%
Transportation	16	13
State	13	14
Corporate	12	12
Utilities	11	11
County/City/Special District/School District	10	11
Education	9	11
Housing	5	6
Tobacco	4	4

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa	11%	18%
AA/Aa	33	25
A	24	27
BBB/Baa	15	16
BB/Ba	4	1
B	6	7
CCC/Caa	1	1
Not Rated <sup>6</sup>	6	5

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of April 30, 2011 and April 30, 2010, the market value of these securities was \$28,787,350 representing 3% and \$16,636,260 representing 2%, respectively, of the Trust's long-term investments.



## Trust Summary as of April 30, 2011 **BlackRock Pennsylvania Strategic Municipal Trust**

### Trust Overview

BlackRock Pennsylvania Strategic Municipal Trust's (BPS) (the "Trust") investment objectives are to provide current income that is exempt from regular federal and Pennsylvania income taxes and to invest in municipal bonds that over time will perform better than the broader Pennsylvania municipal bond market. The Trust seeks to achieve its investment objectives by investing, under normal market conditions, primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Pennsylvania income taxes. The Trust invests, under normal market conditions, at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned 0.00% based on market price and 1.07% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of (0.27)% based on market price and 0.86% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust's holdings generated a high level of income accrual during the period by maintaining a high coupon structure and low level of cash reserves. In addition, the Trust sought investments with valuations that remain attractive relative to their level of credit risk. Also contributing to performance was capital appreciation in the Trust's holdings in the short end and intermediate range of the yield curve, where interest rates declined during the period. Conversely, the Trust's overall longer duration stance (greater sensitivity to interest rates) detracted from performance as the municipal market saw long-term interest rates rise and the yield curve steepen due to credit concerns, the expiration of the Build America Bond program and the general perception among investors that improving economic growth may lead to higher inflation expectations. The Trust uses interest rate futures contracts to hedge portfolio risk related to movements in interest rates. This strategy had a modestly negative impact on performance during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on NYSE Amex	BPS
Initial Offering Date	August 25, 1999
Yield on Closing Market Price as of April 30, 2011 (\$12.99) <sup>1</sup>	7.02%

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Tax Equivalent Yield <sup>2</sup>	10.80%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.076
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.912
Leverage as of April 30, 2011 <sup>4</sup>	43%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$12.99	\$13.88	(6.41)%	\$15.02	\$11.50
Net Asset Value	\$13.11	\$13.86	(5.41)%	\$14.50	\$12.28

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Health	32%	31%
Housing	15	16
State	15	15
Transportation	12	10
Education	12	14
County/City/Special District/School District	8	8
Utilities	3	5
Corporate	3	1

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa	9%	18%
AA/Aa	48	40
A	25	21
BBB/Baa	6	15
BB/Ba	8	1
Not Rated <sup>6</sup>	4	5

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment grade quality. As of April 30, 2011 and April 30, 2010, the market value of these

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securities was \$486,340 representing 1% and \$2,069,225 representing 5%, respectively, of the Trust's long-term investments.

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## Trust Summary April 30, 2011 **BlackRock Strategic Municipal Trust**

### Trust Overview

BlackRock Strategic Municipal Trust's (BSD) (the "Trust") investment objective is to provide current income that is exempt from regular federal income tax and to invest in municipal bonds that over time will perform better than the broader municipal bond market. The Trust seeks to achieve its investment objective by investing, primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests at least 80% of its assets in investment grade quality securities at the time of investment and, under normal market conditions, primarily invests in municipal bonds with long-term maturities in order to maintain a weighted average maturity of 15 years or more. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust's investment objective will be achieved.

### Performance

For the 12 months ended April 30, 2011, the Trust returned (1.65)% based on market price and 1.19% based on NAV. For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (0.60)% based on market price and 0.10% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Security selection and sector allocation among corporates, housing and transportation as well as tax-backed issues in the Great Lakes region drove the Trust's positive performance. Additional benefits were derived from seasoned portfolio holdings with shorter remaining terms to their maturity, which exhibited lower price volatility compared to longer-dated bonds during the period. As interest rates rose and the yield curve steepened in the later part of the period, holdings of longer-dated bonds detracted from performance. In addition, the Trust's high exposure to the health care sector and low exposure to tax-backed issues in the Far West and Mid-Atlantic regions had a negative impact on performance. The Trust uses interest rate futures contracts to hedge portfolio risk related to movements in interest rates. This strategy had a modestly negative impact on performance during the period.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

### Trust Information

Symbol on NYSE	BSD
Initial Offering Date	August 25, 1999
Yield on Closing Market Price as of April 30, 2011 (\$11.88) <sup>1</sup>	7.47%
Tax Equivalent Yield <sup>2</sup>	11.49%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.074

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Current Annualized Distribution per Common Share <sup>3</sup>	\$0.888
Leverage as of April 30, 2011 <sup>4</sup>	39%

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to Preferred Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/11	4/30/10	Change	High	Low
Market Price	\$11.88	\$12.95	(8.26)%	\$13.94	\$11.18
Net Asset Value	\$12.27	\$13.00	(5.62)%	\$13.60	\$11.49

The following charts show the sector and credit quality allocations of the Trust's long-term investments:

### Sector Allocations

	4/30/11	4/30/10
Health	24%	21%
Transportation	18	16
Education	12	12
County/City/Special District/School District	12	12
State	10	11
Corporate	9	9
Utilities	8	9
Housing	6	7
Tobacco	1	3

### Credit Quality Allocations<sup>5</sup>

	4/30/11	4/30/10
AAA/Aaa	16%	27%
AA/Aa	35	26
A	17	22
BBB/Baa	17	14
BB/Ba	5	1
B	3	4
CCC/Caa	1	1
Not Rated <sup>6</sup>	6	5

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these securities to be of investment



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grade quality. As of April 30, 2011 and April 30, 2010, the market value of these securities was \$3,150,431 representing 2% and \$2,354,758 representing 2%, respectively, of the Trust's long-term investments.

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## The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and NAV of their common shares ("Common Shares"). However, these objectives cannot be achieved in all interest rate environments.

To leverage, all the Trusts, except for BTA, issue preferred shares ("Preferred Shares"), which pay dividends at prevailing short-term interest rates, and invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, will normally be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's holders of Common Shares ("Common Shareholders") will benefit from the incremental net income.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from Preferred Shares issuance earn the income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares ("Preferred Shareholders") are significantly lower than the income earned on the Trust's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Trust pays dividends on the higher short-term interest rates whereas the Trust's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Trusts' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption values of the Trusts' Preferred Shares do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAVs positively or negatively in addition to the impact on Trust performance from leverage from Preferred Shares discussed above.

The Trusts may also leverage their assets through the use of TOBs, as described in Note 1 of the Notes to Financial Statements. TOB investments

generally will provide the Trusts with economic benefits in periods of declining short-term interest rates, but expose the Trusts to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Trusts, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Trust's NAV per share.

The use of leverage may enhance opportunities for increased returns to the Trusts and Common Shareholders, but as described above, it also creates risks as short or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Trusts' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Trusts' net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Trust to incur losses. The use of leverage may limit each Trust's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate Preferred Shares issued by the Trusts. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, the Trusts are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Trust anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of April 30, 2011, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	<b>Percent of Leverage</b>
BKN	39%
BTA	38%
BKK	37%
BFK	39%
BPS	43%
BSD	39%

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Trusts' ability to use a derivative instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

**BlackRock Investment Quality Municipal Trust Inc. (BKN)****Schedule of Investments** April 30, 2011

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Alabama — 2.8%</b>		
Birmingham Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):		
6.00%, 6/01/34	\$ 1,745	\$ 1,834,955
6.00%, 6/01/39	500	522,955
Hoover City Board of Education, GO, Refunding, 4.25%, 2/15/40	4,300	3,653,581
		6,011,491
<b>Arizona — 5.5%</b>		
Arizona State University, RB, Series D, 5.50%, 7/01/26	475	509,604
Mohave County Unified School District No. 20 Kingman, GO, School Improvement Project of 2006, Series C (AGC), 5.00%, 7/01/26	1,800	1,870,848
Pima County IDA, Refunding IDR, Tucson Electric Power, 5.75%, 9/01/29	1,375	1,370,861
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	1,035	891,539
5.00%, 12/01/37	4,585	3,800,002
San Luis Facility Development Corp., RB, Senior Lien, Regional Detention Center Project:		
6.25%, 5/01/15	405	390,712
7.00%, 5/01/20	490	478,779
7.25%, 5/01/27	980	872,337
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29	1,100	1,104,455
University Medical Center Corp. Arizona, RB, 6.50%, 7/01/39	750	766,582
		12,055,719
<b>California — 24.6%</b>		
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)	7,090	51,686
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 5.88%, 8/15/31	2,300	2,355,154
Carlsbad Unified School District, GO, Election of 2006,		

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Series B, 6.09%, 5/01/34 (b)	1,500	888,150
County of Sacramento California, RB, Senior Series A (AGM), 5.00%, 7/01/41	2,000	1,767,960
Dinuba Unified School District, GO, Election of 2006 (AGM):		
5.63%, 8/01/31	250	261,647
5.75%, 8/01/33	535	562,189
Foothill Eastern Transportation Corridor Agency California, Refunding RB:		
5.75%, 1/15/40	3,495	2,833,047
CAB, 5.88%, 1/15/28	7,000	6,208,370
Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.53%, 8/01/34 (b)	2,475	1,213,542

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>California (concluded)</b>		
Los Altos Elementary School District, GO, CAB, Election of 1998, Series B (NPFGC), 5.93%, 8/01/13 (a)(c)	\$ 10,945	\$ 5,724,673
Norwalk-La Mirada Unified School District California, GO, Refunding, CAB, Election of 2002, Series E (AGC), 6.47%, 8/01/38 (a)	12,000	1,787,280
Palomar Community College District, GO, CAB, Election of 2006, Series B:		
6.09%, 8/01/30 (a)	2,270	613,672
6.36%, 8/01/39 (b)	3,000	1,101,960
San Diego Community College District California, GO, CAB, Election of 2002, 6.37%, 8/01/19 (b)	4,200	2,485,728
State of California, GO:		
Refunding (CIFG), 4.50%, 8/01/28	1,000	912,300
Various Purpose, 5.75%, 4/01/31	3,000	3,143,550
Various Purpose, 6.00%, 3/01/33	3,220	3,440,409
Various Purpose, 6.50%, 4/01/33	2,900	3,185,505
Various Purpose, 5.50%, 3/01/40	3,650	3,652,226
Various Purpose (CIFG), 5.00%, 3/01/33	5,000	4,806,900
Various Purpose (NPFGC), 5.00%, 6/01/37	5,000	4,662,100
University of California, RB, Limited Project, Series B, 4.75%, 5/15/38	2,050	1,869,723
		53,527,771

**Colorado — 1.8%**

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Park Creek Metropolitan District, RB, Senior Limited Property Tax (AGM), 6.00%, 12/01/38 (d)	1,500	1,464,360
Sand Creek Metropolitan District, GO, Refunding, Limited Tax, Series B: 4.75%, 12/01/35	1,400	1,275,106
5.00%, 12/01/40	1,200	1,111,104
		3,850,570

### Connecticut — 0.3%

Connecticut State Health & Educational Facility Authority, RB, Fairfield University, New Money, Series O, 5.00%, 7/01/35	600	573,222
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### Delaware — 0.8%

County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	1,800	1,756,206
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### District of Columbia — 1.6%

District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.50%, 5/15/33	3,500	3,419,815
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### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:	<b>ACA</b>	American Capital Access Corp.	<b>HDA</b>	Housing Development Authority
	<b>AGC</b>	Assured Guaranty Corp.	<b>HFA</b>	Housing Finance Agency
	<b>AGM</b>	Assured Guaranty Municipal Corp.	<b>HRB</b>	Housing Revenue Bonds
	<b>AMBAC</b>	American Municipal Bond Assurance Corp.	<b>IDA</b>	Industrial Development Authority
	<b>AMT</b>	Alternative Minimum Tax (subject to)	<b>IDB</b>	Industrial Development Board
	<b>ARS</b>	Auction Rate Securities	<b>IDRB</b>	Industrial Development Revenue Bonds
	<b>CAB</b>	Capital Appreciation Bonds	<b>ISD</b>	Independent School District
	<b>CIFG</b>	CDC IXIS Financial Guaranty	<b>MRB</b>	Mortgage Revenue Bonds
	<b>COP</b>	Certificates of Participation	<b>NPFGC</b>	National Public Finance Guarantee Corp.
	<b>EDA</b>	Economic Development Authority	<b>PILOT</b>	Payment in Lieu of Taxes
	<b>EDC</b>	Economic Development Corp.	<b>PSF-GTD</b>	Permanent School Fund Guaranteed
	<b>ERB</b>	Economic Revenue Bonds	<b>RB</b>	Revenue Bonds
	<b>FGIC</b>	Financial Guaranty Insurance Co.	<b>S/F</b>	Single Family
	<b>FHA</b>	Federal Housing Administration	<b>TE</b>	Tax Exempt
	<b>GO</b>	General Obligation Bonds		

See Notes to Financial Statements.





**BlackRock Investment Quality Municipal Trust Inc. (BKN)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>Florida — 11.5%</b>		
County of Miami-Dade Florida, RB, CAB, Sub-Series A (NPFGC) (a):		
5.20%, 10/01/32	\$ 4,225	\$ 930,725
5.21%, 10/01/33	4,000	816,120
5.21%, 10/01/34	4,580	864,612
5.22%, 10/01/35	5,000	875,150
5.23%, 10/01/36	10,000	1,618,600
5.24%, 10/01/37	10,000	1,503,200
County of Orange Florida, Refunding RB (Syncora), 4.75%, 10/01/32		
Hillsborough County IDA, RB, National Gypsum Co., Series A, AMT, 7.13%, 4/01/30	3,700	3,239,387
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	1,845	1,881,457
Sumter Landing Community Development District Florida, RB, Sub-Series B, 5.70%, 10/01/38	3,585	2,724,959
Village Community Development District No. 6, Special Assessment Bonds, 5.63%, 5/01/22	6,220	5,913,914
		24,943,424
<b>Georgia — 0.8%</b>		
Milledgeville & Baldwin County Development Authority, RB, Georgia College & State University Foundation, 6.00%, 9/01/14 (c)	1,500	1,755,285
<b>Idaho — 1.5%</b>		
Idaho Health Facilities Authority, RB, St. Luke's Regional Medical Center (AGM), 5.00%, 7/01/35	650	632,184
Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/33	2,500	2,637,100
		3,269,284
<b>Illinois — 12.5%</b>		
Chicago Public Building Commission Building Illinois, RB, Series A (NPFGC), 7.00%, 1/01/20 (e)	5,000	6,387,550
Illinois Finance Authority, RB:		

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MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (f)(g)	700	187,908
Navistar International, Recovery Zone, 6.50%, 10/15/40	1,925	1,933,432
Northwestern Memorial Hospital, Series A, 5.50%, 8/15/14 (c)	5,800	6,625,398
Roosevelt University Project, 6.50%, 4/01/44	1,500	1,493,835
Rush University Medical Center, Series C, 6.63%, 11/01/39	1,200	1,231,800
Illinois Finance Authority, Refunding RB, Series A: Friendship Village Schaumburg, 5.63%, 2/15/37	345	263,045
OSF Healthcare System, 6.00%, 5/15/39	1,535	1,482,503
Railsplitter Tobacco Settlement Authority, RB: 6.25%, 6/01/24	6,000	6,020,280
6.00%, 6/01/28	1,700	1,634,958
		27,260,709

### Indiana — 0.6%

Indiana Finance Authority, Refunding RB, Improvement, U.S. Steel Corp., 6.00%, 12/01/26	1,350	1,316,075
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### Iowa — 1.1%

Iowa Higher Education Loan Authority, Refunding RB, Private College Facility: 5.75%, 9/01/30	965	976,734
6.00%, 9/01/39	1,500	1,514,805
		2,491,539

	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>

### Kansas — 0.9%

Kansas Development Finance Authority, RB, University of Kansas Tenant, Series O, 4.75%, 6/15/41	\$ 1,000	\$ 909,260
Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/28	1,155	1,149,745
		2,059,005

### Kentucky — 3.2%

Kentucky Economic Development Finance Authority, RB, Louisville Arena, Sub-Series A-1 (AGC), 6.00%, 12/01/38	700	708,001
Kentucky Economic Development Finance Authority, Refunding RB, Norton Healthcare Inc., Series B (NPFGC),		

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6.19%, 10/01/23 (a) Louisville/Jefferson County Metropolitan Government, Refunding RB, Jewish Hospital & St. Mary's HealthCare,	8,500	4,046,510
6.13%, 2/01/37	2,250	2,202,682
		6,957,193
<b>Louisiana — 2.6%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB: Southeastern Louisiana University, Series A (AGM),		
5.00%, 10/01/40	1,025	1,012,505
Westlake Chemical Corp., Series A-1,		
6.50%, 11/01/35	1,565	1,571,041
Louisiana Public Facilities Authority, Refunding RB, Energy Gulf States Louisiana, LLC Project, Series A,		
5.00%, 9/01/28	3,000	2,992,890
		5,576,436
<b>Maryland — 2.0%</b>		
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc.,		
5.75%, 9/01/25	780	746,327
Maryland Health & Higher Educational Facilities Authority, Refunding RB, Doctor's Community Hospital,		
5.63%, 7/01/30	4,100	3,494,184
		4,240,511
<b>Michigan — 3.8%</b>		
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.25%, 10/15/38	1,875	1,980,000
Michigan State Hospital Finance Authority, Refunding RB: Henry Ford Health System, Series A, 5.25%, 11/15/46	1,670	1,393,381
Hospital, Henry Ford Health, 5.75%, 11/15/39	2,000	1,862,540
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital,		
8.25%, 9/01/39	2,750	3,117,868
		8,353,789
<b>Minnesota — 1.7%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	3,500	3,729,180
<b>Mississippi — 3.9%</b>		
Mississippi Development Bank Special Obligation, RB, Jackson County Limited Tax Note (AGC), 5.50%, 7/01/32	2,655	2,723,260
Mississippi Development Bank, RB, Hinds Community College District, Capital Improvement Project (AGM),		

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5.00%, 4/01/36	1,910	1,862,097
University of Southern Mississippi, RB, Campus Facilities		
Improvements Project, 5.38%, 9/01/36	3,750	3,821,625
		8,406,982
<b>Missouri — 1.0%</b>		
Missouri Joint Municipal Electric Utility Commission, RB,		
Plum Point Project (NPFGC), 4.60%, 1/01/36	2,790	2,274,157
<b>Montana — 1.5%</b>		
Montana Facility Finance Authority, Refunding RB, Sisters		
of Leavenworth, Series A, 4.75%, 1/01/40	3,450	3,147,987

See Notes to Financial Statements.

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**BlackRock Investment Quality Municipal Trust Inc. (BKN)****Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Nebraska — 1.8%</b>		
Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.50%, 1/01/30 \$	575	\$ 565,731
Nebraska Investment Finance Authority, Refunding RB, Series A:		
5.90%, 9/01/36	1,700	1,755,267
6.05%, 9/01/41	1,585	1,619,188
		3,940,186
<b>Nevada — 0.5%</b>		
County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29	1,065	1,012,709
<b>New Jersey — 5.1%</b>		
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (f)(g)	1,510	151,000
New Jersey EDA, RB, Cigarette Tax, 5.75%, 6/15/29	7,000	6,361,950
New Jersey Educational Facilities Authority, Refunding RB: College of New Jersey, Series D (AGM),		
5.00%, 7/01/35	1,225	1,204,665
University of Medicine & Dentistry, Series B, 7.13%, 12/01/23	950	1,082,696
University of Medicine & Dentistry, Series B, 7.50%, 12/01/32	1,225	1,354,691
New Jersey State Housing & Mortgage Finance Agency, RB, Series AA, 6.50%, 10/01/38	875	945,131
		11,100,133
<b>New Mexico — 1.4%</b>		
Village of Los Ranchos de Albuquerque New Mexico, Refunding RB, Albuquerque Academy Project, 4.50%, 9/01/40	3,500	3,001,985
<b>New York — 8.3%</b>		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (f)(g)	725	181,272
Hudson Yards Infrastructure Corp., RB, Series A, 5.00%, 2/15/47	2,500	2,096,400

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Long Island Power Authority, Refunding RB, Series A, 5.75%, 4/01/39	2,475	2,591,795
Metropolitan Transportation Authority, Refunding RB, Transportation, Series B (AGM), 4.50%, 11/15/36	1,155	1,039,881
New York City Industrial Development Agency, RB: American Airlines Inc., JFK International Airport, AMT, 7.63%, 8/01/25 (h)	2,600	2,623,686
Queens Baseball Stadium, PILOT (AGC), 6.50%, 1/01/46	1,100	1,147,718
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	1,250	1,251,175
New York State Dormitory Authority, RB: 5.83%, 7/01/39 (b)	1,000	852,860
Rochester Institute of Technology, Series A, 6.00%, 7/01/33	1,625	1,725,815
The New School (AGM), 5.50%, 7/01/43	2,350	2,385,321
University of Rochester, Series A, 5.13%, 7/01/39	550	550,143
State of New York, GO, Series A, 4.75%, 2/15/37	1,650	1,637,757
		18,083,823

### North Carolina — 7.1%

City of Charlotte North Carolina, Refunding RB, Series A, 5.50%, 7/01/34	325	332,254
Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35	2,425	1,831,069

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>North Carolina (concluded)</b>		
North Carolina Capital Facilities Finance Agency, RB, Duke Energy Carolinas, Series B, 4.38%, 10/01/31	\$ 3,775	\$ 3,488,779
North Carolina Medical Care Commission, RB, Series A: Novant Health Obligation, 4.75%, 11/01/43	6,000	4,853,280
WakeMed, (AGC), 5.88%, 10/01/38	1,000	1,017,730
North Carolina Medical Care Commission, Refunding RB: Caromont Health (AGC), 4.50%, 2/15/30	1,000	914,140
Caromont Health (AGC), 4.63%, 2/15/35	1,400	1,255,170
University Health System, Series D, 6.25%, 12/01/33	1,750	1,838,183
		15,530,605

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### Ohio — 4.5%

County of Cuyahoga Ohio, Refunding RB, Series A, 6.00%, 1/01/21	5,000	5,336,900
County of Hancock Ohio, Refunding RB, Blanchard Valley Regional Health Center, 5.75%, 12/01/26	1,450	1,422,290
State of Ohio, Refunding RB, Kenyon College Project, 5.00%, 7/01/41	3,345	3,132,459
		9,891,649

### Oklahoma — 1.4%

Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (h)	2,900	2,980,156
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### Oregon — 2.8%

Oregon Health & Science University, RB, Series A, 5.75%, 7/01/39	2,250	2,304,270
Oregon State Facilities Authority, Refunding RB, Limited College Project, Series A: 5.00%, 10/01/34	1,150	1,053,527
5.25%, 10/01/40	500	468,055
State of Oregon, GO, Refunding, Alternate Energy, Series B, AMT, 5.25%, 1/01/32	2,345	2,344,812
		6,170,664

### Pennsylvania — 6.6%

Delaware River Port Authority, RB: Port District Project, Series B (AGM), 5.70%, 1/01/22	2,000	2,002,700
Series D (AGC), 5.00%, 1/01/40	3,640	3,579,831
McKeesport Area School District, GO, CAB (FGIC) (a): 5.53%, 10/01/31	2,435	679,292
5.53%, 10/01/31 (e)	870	324,362
Pennsylvania Economic Development Financing Authority, RB: Amtrak Project, Series A, AMT, 6.25%, 11/01/31	2,000	2,004,800
Amtrak Project, Series A, AMT, 6.38%, 11/01/41	3,100	3,102,511
Aqua Pennsylvania Inc. Project, Series B, 4.50%, 12/01/42	3,000	2,680,080
		14,373,576

### Puerto Rico — 2.7%

Puerto Rico Electric Power Authority, Refunding RB, Series UU (AGM), 5.00%, 7/01/23	1,900	1,930,609
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37	3,000	2,940,000
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB,		

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Series A (NPFGC), 5.75%, 8/01/41 (a)	7,500	1,002,000
		5,872,609

### Rhode Island — 3.1%

Rhode Island Health & Educational Building Corp., RB, Hospital Financing, LifeSpan Obligation, Series A (AGC), 7.00%, 5/15/39	3,000	3,300,720
Rhode Island Health & Educational Building Corp., Refunding RB, Hospital, Lifespan (NPFGC), 5.50%, 5/15/16	200	200,348

See Notes to Financial Statements.

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**BlackRock Investment Quality Municipal Trust Inc. (BKN)****Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Rhode Island (concluded)</b>		
Rhode Island Housing & Mortgage Finance Corp., RB, Homeownership Opportunity, Series 54, AMT, 4.85%, 10/01/41	\$ 2,165	\$ 1,928,971
State of Rhode Island, COP, Series C, School for the Deaf (AGC), 5.38%, 4/01/28	1,330	1,383,413
		6,813,452
<b>South Carolina — 6.1%</b>		
County of Florence South Carolina, RB, McLeod Regional Medical Center, Series A, 5.00%, 11/01/37	2,700	2,446,578
South Carolina Jobs-EDA, Refunding RB: Palmetto Health Alliance, Series A, 6.25%, 8/01/31	2,185	2,152,684
Palmetto Health, Series C, 6.88%, 8/01/13 (c)	3,560	4,025,399
South Carolina State Housing Finance & Development Authority, Refunding RB, Series A-2, AMT (AMBAC), 5.15%, 7/01/37	4,975	4,721,324
		13,345,985
<b>Tennessee — 1.1%</b>		
Memphis-Shelby County Airport Authority, RB, Series D, AMT (AMBAC), 6.00%, 3/01/24	260	260,335
Memphis-Shelby County Sports Authority Inc., Refunding RB, Memphis Arena Project, Series A: 5.25%, 11/01/27	1,135	1,153,671
5.38%, 11/01/28	1,000	1,016,020
		2,430,026
<b>Texas — 8.2%</b>		
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B: 7.13%, 12/01/31	1,000	1,086,090
7.25%, 12/01/35	2,650	2,874,561
Harris County-Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series A (NPFGC), 6.18%, 11/15/38 (a)	5,000	466,400
Love Field Airport Modernization Corp., RB, Southwest		

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Airlines Co. Project, 5.25%, 11/01/40	3,800	3,309,230
Lower Colorado River Authority, Refunding RB (NPFGC) (c):		
5.00%, 5/15/13	20	21,739
Series A, 5.00%, 5/15/13	5	5,435
Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project,		
Series A, 6.30%, 11/01/29	2,200	2,286,834
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ Infrastructure Group LLC,		
LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	3,000	3,056,640
Texas State Turnpike Authority, RB (AMBAC):		
CAB, 6.05%, 8/15/31 (a)	15,000	3,598,050
First Tier, Series A, 5.00%, 8/15/42	1,250	1,068,712
		17,773,691
 <b>Virginia — 0.5%</b>		
Henrico County EDA, RB, Bon Secours Health, Series B-1 (AGC), 4.50%, 11/01/42	1,285	1,086,892
 <b>Washington — 1.0%</b>		
Washington Health Care Facilities Authority, RB, MultiCare Health System, Series B (AGC), 6.00%, 8/15/39	2,100	2,156,889
 <b>Wisconsin — 1.5%</b>		
Wisconsin Health & Educational Facilities Authority, RB, Aurora Health Care, 6.40%, 4/15/33	3,220	3,251,073
 <b>Wyoming — 0.9%</b>		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26	1,800	1,876,140
<b>Total Municipal Bonds — 150.6%</b>		<b>327,668,593</b>

<b>Municipal Bonds Transferred to</b>		<b>Par</b>
<b>Tender Option Bond Trusts (i)</b>		<b>(000) Value</b>
 <b>Colorado — 2.3%</b>		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36	\$ 5,250	\$ 4,940,828
 <b>Illinois — 1.5%</b>		
Chicago Housing Authority, Refunding RB (AGM), 5.00%, 7/01/24	3,194	3,256,954
 <b>Massachusetts — 1.4%</b>		
Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41	3,070	3,092,319
 <b>New York — 4.1%</b>		

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New York City Municipal Water Finance Authority, RB:

Fiscal 2009, Series A, 5.75%, 6/15/40	690	740,142
Series FF-2, 5.50%, 6/15/40	810	844,192
New York City Municipal Water Finance Authority,		
Refunding RB, Series A, 4.75%, 6/15/30	4,000	4,018,800
New York State Dormitory Authority, RB, New York		
University, Series A, 5.00%, 7/01/38	3,359	3,319,428
		8,922,562

### Ohio — 1.9%

County of Montgomery Ohio, RB, Catholic Health,		
Series C-1 (AGM), 5.00%, 10/01/41	1,740	1,508,336
Ohio Higher Educational Facility Commission,		
Refunding RB, Hospital, Cleveland Clinic Health,		
Series A, 5.25%, 1/01/33	2,600	2,540,590
		4,048,926

### Total Municipal Bonds Transferred to

**Tender Option Bond Trusts — 11.2%** 24,261,589

### Total Long-Term Investments

**(Cost — \$364,507,011) — 161.8%** 351,930,182

### Short-Term Securities

**Shares**

FFI Institutional Tax-Exempt Fund, 0.23% (j)(k) 1,084,525 1,084,525

### Total Short-Term Securities

**(Cost — \$1,084,525) — 0.5%** 1,084,525

**Total Investments (Cost — \$365,591,536\*) — 162.3%** 353,014,707

**Other Assets Less Liabilities — 1.7%** 3,639,725

### Liability for Trust Certificates, Including Interest

**Expense and Fees Payable — (6.1%)** (13,148,136)

**Preferred Shares, at Redemption Value — (57.9%)** (125,964,879)

**Net Assets — 100.0%** \$217,541,417

\* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 352,097,987
Gross unrealized appreciation	\$ 10,011,126
Gross unrealized depreciation	(22,231,807)
Net unrealized depreciation	\$ (12,220,681)

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.

(c) US government securities, held in escrow, are used to pay interest on this security as

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well as to retire the bond in full at the date indicated, typically at a premium to par.

See Notes to Financial Statements.

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**BlackRock Investment Quality Municipal Trust Inc. (BKN)**  
**Schedule of Investments (concluded)**

(d) When-issued security. Unsettled when-issued transactions were as follows:

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation</b>
RBC Capital Markets	\$1,464,360	\$ 13,425

(e) Security is collateralized by Municipal or US Treasury obligations.

(f) Issuer filed for bankruptcy and/or is in default of interest payments.

(g) Non-income producing security.

(h) Variable rate security. Rate shown is as of report date.

(i) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(j) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<b>Affiliate</b>	<b>Shares Held at April 30, 2010</b>	<b>Net Activity</b>	<b>Shares Held at April 30, 2011</b>	<b>Income</b>
FFI Institutional Tax-Exempt Fund	7,659,95	(6,575,430)	1,084,525	\$ 7,690

(k) Represents the current yield as of report date.

•Financial futures contracts sold as of April 30, 2011 were as follows:

<b>Contracts Issue</b>	<b>Exchange</b>	<b>Expiration</b>	<b>Notional Value</b>	<b>Unrealized Depreciation</b>
121 30-Year U.S. Treasury Bonds	Chicago Board of Trade	June 2011	\$14,415,895	\$ (391,480)

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

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•Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Long-Term				
Investments <sup>1</sup>	—	\$351,930,182	—	\$351,930,182
Short-Term				
Securities	\$ 1,084,525	—	—	1,084,525
<b>Total</b>	<b>\$ 1,084,525</b>	<b>\$351,930,182</b>	<b>—</b>	<b>\$353,014,707</b>

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

### Derivative Financial Instruments<sup>2</sup>

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Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Interest				
rate				
contracts	\$ (391,480)	—	—	—\$ (391,480)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

**BlackRock Long-Term Municipal Advantage Trust (BTA)****Schedule of Investments** April 30, 2011

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Arizona — 2.5%</b>		
Pima County IDA, RB, Tucson Electric Power Co., Series A, 5.25%, 10/01/40	\$ 1,345	\$ 1,173,028
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	665	670,586
Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/37	2,090	1,732,171
		3,575,785
<b>Arkansas — 0.4%</b>		
County of Little River Arkansas, Refunding RB, Georgia- Pacific Corp. Project, AMT, 5.60%, 10/01/26	550	505,472
<b>California — 9.0%</b>		
California HFA, RB, AMT, Home Mortgage:		
Series G, 5.50%, 8/01/42	2,135	2,117,899
Series K, 5.50%, 2/01/42	745	756,763
California Health Facilities Financing Authority, Refunding RB:		
Catholic Healthcare West, Series A, 6.00%, 7/01/39	680	683,856
St. Joseph Health System, Series A, 5.75%, 7/01/39	385	360,083
Sutter Health, Series B, 6.00%, 8/15/42	1,040	1,054,674
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34	400	413,236
California Statewide Communities Development Authority, Refunding RB, Senior Living, Southern California:		
6.25%, 11/15/19	1,000	1,047,000
6.63%, 11/15/24	540	565,078
Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39	270	268,815
San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	3,225	3,186,364
State of California, GO, Various Purpose, 6.50%, 4/01/33	2,000	2,196,900
		12,650,668
<b>Colorado — 1.2%</b>		
Colorado Health Facilities Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40	755	689,647

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North Range Metropolitan District No. 2, GO, Limited Tax, 5.50%, 12/15/37	1,200	950,184
		1,639,831

### Delaware — 1.4%

County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	750	731,752
Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45	1,415	1,215,075
		1,946,827

### District of Columbia — 8.6%

District of Columbia, RB, Methodist Home District of Columbia, Series A: 7.38%, 1/01/30	550	539,286
7.50%, 1/01/39	910	889,143
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed: 6.25%, 5/15/24	4,845	4,628,815
6.50%, 5/15/33	5,700	5,569,413
Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: 5.00%, 10/01/39	170	162,066
5.25%, 10/01/44	270	258,922
		12,047,645

### Florida — 4.7%

County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34	1,950	1,910,376
County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41	400	379,200

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40 \$	745	\$ 741,886
Sarasota County Health Facilities Authority, Refunding RB, Village on the Isle Project, 5.50%, 1/01/32	495	414,454
Sumter Landing Community Development District Florida, RB, Sub-Series B, 5.70%, 10/01/38	1,395	1,060,339
Tolomato Community Development District, Special Assessment Bonds, Special Assessment, 6.65%, 5/01/40	1,750	1,164,765



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Watergrass Community Development District, Special Assessment Bonds, Series A, 5.38%, 5/01/39	1,850	907,166
		6,578,186
<b>Georgia — 0.5%</b>		
DeKalb County Hospital Authority Georgia, RB, DeKalb Medical Center Inc. Project, 6.13%, 9/01/40	500	452,615
DeKalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	285	275,586
		728,201
<b>Guam — 0.3%</b>		
Territory of Guam, GO, Series A: 6.00%, 11/15/19	200	200,126
6.75%, 11/15/29	295	294,153
		494,279
<b>Illinois — 3.1%</b>		
Illinois Finance Authority, RB, Advocate Health Care, Series C, 5.38%, 4/01/44	1,845	1,732,861
Illinois Finance Authority, Refunding RB, Central DuPage Health, Series B, 5.50%, 11/01/39	550	522,720
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project, (AGM): Series B, 5.00%, 6/15/50	1,095	955,486
Series B-2, 5.00%, 6/15/50	870	741,579
Railsplitter Tobacco Settlement Authority, RB, 5.50%, 6/01/23	180	173,678
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	215	208,000
		4,334,324
<b>Indiana — 2.8%</b>		
Delaware County Hospital Authority Indiana, RB, Cardinal Health System Obligation Group, 5.25%, 8/01/36	2,000	1,698,180
Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39	290	267,511
Indiana Finance Authority, Refunding RB: Ascension Health Senior Credit, Series B-5, 5.00%, 11/15/36	500	457,585
Parkview Health System, Series A, 5.75%, 5/01/31	1,100	1,106,996
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	350	358,820
		3,889,092
<b>Kentucky — 0.2%</b>		

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Kentucky Economic Development Finance Authority,  
Refunding RB, Owensboro Medical Health System,  
Series A, 6.38%, 6/01/40

350

332,073

### Louisiana — 2.3%

Louisiana Local Government Environmental Facilities  
& Community Development Authority, RB, Westlake  
Chemical Corp.:

Projects, 6.75%, 11/01/32

2,000

2,037,400

Series A-1, 6.50%, 11/01/35

1,135

1,139,381

3,176,781

See Notes to Financial Statements.

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**BlackRock Long-Term Municipal Advantage Trust (BTA)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Maryland — 1.3%</b>		
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	\$ 970	\$ 887,259
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	500	478,415
Maryland Health & Higher Educational Facilities Authority, Refunding RB, University of Maryland Medical System, 5.00%, 7/01/34	490	444,979
		1,810,653
<b>Massachusetts — 0.4%</b>		
Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39	615	575,339
<b>Michigan — 2.6%</b>		
City of Detroit Michigan, RB, Senior Lien, Series B (AGM), 7.50%, 7/01/33	560	653,335
Garden City Hospital Finance Authority Michigan, Refunding RB, Garden City Hospital Obligation, Series A, 5.00%, 8/15/38	1,540	961,006
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36	475	452,077
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,400	1,587,278
		3,653,696
<b>Montana — 0.4%</b>		
Two Rivers Authority, RB, Senior Lien (b)(c): 7.25%, 11/01/21	1,500	231,450
7.38%, 11/01/27	2,600	399,100
		630,550
<b>New Jersey — 0.4%</b>		
New Jersey EDA, RB, Continental Airlines Inc. Project, AMT, 6.63%, 9/15/12	500	503,830
<b>New York — 5.2%</b>		

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Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40	410	401,550
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT, 7.63%, 8/01/25 (d)	4,000	4,036,440
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	420	420,395
New York State Dormitory Authority, RB, New York University, Series A, 5.25%, 7/01/48	2,000	2,005,180
Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 6.00%, 12/01/42	430	410,908
		7,274,473
<b>North Carolina — 0.3%</b>		
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42	480	456,749
<b>Ohio — 0.7%</b>		
State of Ohio, RB, Ford Motor Co. Project, AMT, 5.75%, 4/01/35	1,000	920,770
<b>Pennsylvania — 0.8%</b>		
Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40	1,500	1,114,815
<b>Puerto Rico — 1.4%</b>		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.50%, 8/01/44	1,705	1,778,826
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, First Sub-Series C, 6.52%, 8/01/38 (e)	1,490	229,043
		2,007,869

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>South Carolina — 1.9%</b>		
South Carolina Jobs-EDA, Refunding RB:		
First Mortgage, Lutheran Homes, 5.50%, 5/01/28	\$ 600	\$ 486,234
First Mortgage, Lutheran Homes, 5.63%, 5/01/42	1,000	768,240
Palmetto Health, 5.50%, 8/01/26	480	453,163
Senior Lien, Burroughs & Chapin, Series A (Radian), 4.70%, 4/01/35	1,340	1,000,029
		2,707,666

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### Texas — 7.2%

Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30	1,500	645,660
City of Dallas Texas, Refunding RB, 5.00%, 10/01/35	525	544,141
City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/39	250	253,228
HFDC of Central Texas Inc., RB, Village at Gleannloch Farms, Series A, 5.50%, 2/15/27	1,150	898,897
Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29	700	727,629
North Texas Tollway Authority, RB, Toll, Second Tier, Series F, 6.13%, 1/01/31	2,290	2,339,556
Sabine River Authority Texas, Refunding RB, TXU Electric Co. Project, Series B, Mandatory Put Bonds, AMT, 5.75%, 5/01/30 (d)	1,000	979,360
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,390	1,415,604
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	1,000	1,018,880
NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	1,315	1,349,058
		10,172,013

### Utah — 0.6%

City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	955	884,884
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### Vermont — 1.7%

Vermont HFA, RB, Series 27, AMT (AGM), 4.90%, 5/01/38 (d)	2,765	2,360,785
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### Virginia — 3.0%

Fairfax County EDA, Refunding RB, Goodwin House Inc., 5.13%, 10/01/42	850	714,000
Peninsula Ports Authority, Refunding RB, Virginia Baptist Homes, Series C, 5.38%, 12/01/26	2,600	1,682,382
Reynolds Crossing Community Development Authority, Special Assessment Bonds, Reynolds Crossing Project, 5.10%, 3/01/21	993	915,010
Virginia HDA, RB, Rental Housing, Series F, 5.00%, 4/01/45	1,000	952,950

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4,264,342

**Washington — 0.5%**

Washington Health Care Facilities Authority, RB, Swedish  
Health Services, Series A, 6.75%, 11/15/41

660

684,314

**Wisconsin — 1.9%**

Wisconsin Health & Educational Facilities Authority, RB,  
Ascension Health Credit Group, Series A,  
5.00%, 11/15/31

2,835

2,691,833

**Wyoming — 0.1%**

Wyoming Municipal Power Agency, RB, Series A,  
5.00%, 1/01/42

100

96,943

**Total Municipal Bonds — 67.4%**

94,710,688

See Notes to Financial Statements.

**BlackRock Long-Term Municipal Advantage Trust (BTA)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

<b>Municipal Bonds Transferred to Tender Option Bond Trusts (f)</b>	<b>Par (000)</b>	<b>Value</b>
<b>California — 12.9%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco		
Bay Area, Series F-1, 5.63%, 4/01/44	\$ 1,090	\$ 1,125,619
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39	840	861,756
Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40	2,050	1,965,171
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	553	562,589
University of California, RB, Series B (NPFGC), 4.75%, 5/15/38	15,000	13,680,900
		18,196,035
<b>Colorado — 0.5%</b>		
Colorado Health Facilities Authority, Refunding RB, Catholic Health, Series A, 5.50%, 7/01/34	740	740,706
<b>Illinois — 9.9%</b>		
City of Chicago Illinois, Custodial Receipts, Series 1284, 5.00%, 1/01/33 (a)	15,000	13,877,250
<b>Indiana — 8.5%</b>		
Carmel Redevelopment Authority, RB, Performing Arts Center: 4.75%, 2/01/33	5,365	5,307,219
5.00%, 2/01/33	6,580	6,601,582
		11,908,801
<b>Massachusetts — 8.4%</b>		
Massachusetts HFA, Refunding HRB, Series D, AMT, 5.45%, 6/01/37	11,855	11,753,284
<b>Nebraska — 3.4%</b>		
Omaha Public Power District, RB, System, Sub-Series B (NPFGC), 4.75%, 2/01/36	5,000	4,795,850
<b>New Hampshire — 0.5%</b>		
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39	660	683,384

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**New York — 15.8%**

New York City Municipal Water Finance Authority, Water & Sewer, RB, Series FF-2, 5.50%, 6/15/40	495	515,895
New York City Municipal Water Finance Authority, Water & Sewer, Refunding RB, Series D, 5.00%, 6/15/39	7,500	7,516,200
New York State Dormitory Authority, ERB: Series B, 5.75%, 3/15/36	11,250	12,150,225
Series F, 5.00%, 3/15/35	1,995	1,997,505
		22,179,825

**North Carolina — 10.8%**

University of North Carolina at Chapel Hill, Refunding RB, General, Series A, 4.75%, 12/01/34	15,170	15,206,560
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**Ohio — 5.0%**

County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	2,650	2,372,386
State of Ohio, Refunding RB, Cleveland Clinic Health, Series A, 5.50%, 1/01/39	4,630	4,590,599
		6,962,985

**South Carolina — 2.0%**

South Carolina State Housing Finance & Development Authority, Refunding RB, Series B-1, 5.55%, 7/01/39	2,829	2,861,705
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**Texas — 8.1%**

County of Harris Texas, RB, Senior Lien, Toll Road, Series A, 5.00%, 8/15/38	2,130	2,123,546
New Caney ISD, GO, School Building (PSF-GTD), 5.00%, 2/15/35	9,150	9,309,210
		11,432,756

**Municipal Bonds Transferred to**

**Tender Option Bond Trusts (f)**

**Par**

**(000)**

**Value**

**Virginia — 0.7%**

Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%, 11/01/40	\$ 1,000	\$ 970,301
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**Wisconsin — 1.3%**

Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.25%, 4/01/39	1,990	1,821,106
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**Total Municipal Bonds Transferred to**

**Tender Option Bond Trusts — 87.8%**

123,390,548

**Total Long-Term Investments**



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<b>(Cost — \$234,446,724) — 155.2%</b>		218,101,236
<b>Short-Term Securities</b>	<b>Shares</b>	
FFI Institutional Tax-Exempt Fund, 0.23% (g)(h)	1,227,518	1,227,518
	<b>Par</b>	
	<b>(000)</b>	
Michigan Finance Authority, RB, SAN, Detroit Schools, Series A-1, 6.45%, 2/20/12	\$ 1,085	1,091,803
<b>Total Short-Term Securities</b>		
<b>(Cost — \$2,312,518) — 1.7%</b>		2,319,321
<b>Total Investments (Cost — \$236,759,242*) — 156.9%</b>		220,420,557
<b>Other Assets Less Liabilities — 5.5%</b>		7,831,514
<b>Liability for Trust Certificates, Including Interest</b>		
<b>Expense and Fees Payable — (62.4)%</b>		(87,741,649)
<b>Net Assets — 100.0%</b>		\$140,510,422

\* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$149,318,427
Gross unrealized appreciation	\$ 1,752,421
Gross unrealized depreciation	(18,111,856)
Net unrealized depreciation	\$ (16,359,435)

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Issuer filed for bankruptcy and/or is in default of interest payments.

(c) Non-income producing security.

(d) Variable rate security. Rate shown is as of report date.

(e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(f) Securities represent bonds transferred to a TOB trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(g) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<b>Affiliate</b>	<b>Shares Held at April 30, 2010</b>	<b>Net Activity</b>	<b>Shares Held at April 30, 2011</b>	<b>Income</b>
FFI Institutional Tax-Exempt Fund	1,118,809	108,709	1,227,518	\$ 1,784

(h) Represents the current yield as of report date.

•Financial futures contracts sold as of April 30, 2011 were as follows:

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<b>Contracts</b>	<b>Issue</b>	<b>Exchange</b>	<b>Expiration</b>		<b>Notional Value</b>	<b>Unrealized Depreciation</b>
105	10-Year U.S. Treasury Note	Chicago Board of Trade	June 2011		\$12,443,941	\$ (275,825)

See Notes to Financial Statements.

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**BlackRock Long-Term Municipal Advantage Trust (BTA)**  
**Schedule of Investments (concluded)**

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Long-Term				
Investments <sup>1</sup>		—	\$218,101,236 —	\$218,101,236
Short-Term				
Securities		\$ 1,227,518	1,091,803 —	2,319,321
<b>Total</b>		\$ 1,227,518	\$219,193,039 —	\$220,420,557

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

**Derivative Financial Instruments<sup>2</sup>**

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Interest				
rate				
contracts		\$ (275,825)	—	—\$ (275,825)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

**BlackRock Municipal 2020 Term Trust (BKK)****Schedule of Investments** April 30, 2011

(Percentages shown are based on Net Assets)

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Alabama — 0.4%</b>		
Courtland IDB Alabama, Refunding RB, International Paper Co. Projects, Series A, 4.75%, 5/01/17	\$ 1,165	\$ 1,164,091
<b>Arizona — 3.8%</b>		
Phoenix Civic Improvement Corp., RB, Junior Lien, Series A: 5.00%, 7/01/20	1,300	1,394,276
5.00%, 7/01/21	5,585	6,266,370
Pima County IDA, Refunding RB, Tucson Electric Power Co., San Juan, Series A, 4.95%, 10/01/20	1,015	977,151
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/18	1,500	1,536,270
5.25%, 12/01/20	1,000	1,005,560
		11,179,627
<b>California — 21.9%</b>		
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 5.00%, 8/15/22	815	845,180
California State Department of Water Resources, Refunding RB, Series L, 5.00%, 5/01/20	10,000	11,393,700
California Statewide Communities Development Authority, RB, John Muir Health, Series A, 5.00%, 8/15/22	5,000	5,021,100
Foothill Eastern Transportation Corridor Agency California, Refunding RB, CAB (a): 5.95%, 1/15/21	12,500	5,954,000
5.87%, 1/15/22	10,000	4,298,500
Golden State Tobacco Securitization Corp. California, RB (b): ARS, Asset-Backed, Series A-3, 7.88%, 6/01/13	975	1,116,463
ARS, Asset-Backed, Series A-5, 7.88%, 6/01/13	1,470	1,683,282
Series 2003-A-1, 6.63%, 6/01/13	3,000	3,360,120
Series 2003-A-1, 6.75%, 6/01/13	12,010	13,482,666
Los Angeles Unified School District California, GO, Series I, 5.00%, 7/01/20	3,750	4,134,000
Riverside County Asset Leasing Corp. California, RB, Riverside County Hospital Project (NPFGC), 5.76%, 6/01/25 (a)	6,865	2,524,535

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San Manuel Entertainment Authority, Series 04-C, 4.50%, 12/01/16 (c)	4,000	3,959,080
State of California, GO, Various Purpose, 5.00%, 11/01/22	7,050	7,167,312
		64,939,938

### Colorado — 1.7%

E-470 Public Highway Authority Colorado, RB, CAB, Senior Series B (NPFGC), 5.53%, 9/01/22 (a)	4,500	2,095,110
Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.25%, 12/01/25	3,000	2,813,610
		4,908,720

### District of Columbia — 5.5%

District of Columbia, Refunding RB:		
Friendship Public Charter School Inc. (ACA), 5.75%, 6/01/18	2,680	2,611,499
Friendship Public Charter School Inc. (ACA), 5.00%, 6/01/23	3,320	2,793,714
Howard University, Series A, 5.25%, 10/01/20	1,535	1,581,756
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.50%, 5/15/33	4,215	4,118,434
Metropolitan Washington Airports Authority, Refunding RB, Series C-2, AMT (AGM), 5.00%, 10/01/24	5,000	5,065,650
		16,171,053

### Florida — 7.8%

Bellalago Educational Facilities Benefit District, Special Assessment Bonds, Series A, 5.85%, 5/01/22	3,715	3,380,279
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/22	1,250	1,309,575
City of Jacksonville Florida, RB, Better Jacksonville, 5.00%, 10/01/22	5,160	5,613,770

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
Habitat Community Development District, Special Assessment Bonds, 5.80%, 5/01/25	\$ 1,910	\$ 1,745,645
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	2,325	2,370,942
Middle Village Community Development District, Special Assessment Bonds, Series A, 5.80%, 5/01/22	3,525	3,291,116
Pine Island Community Development District, RB,		

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5.30%, 11/01/10 (d)(e)	250	199,825
Stevens Plantation Community Development District, Special Assessment Bonds, Series B, 6.38%, 5/01/13	3,530	3,129,522
Village Community Development District No. 5 Florida, Special Assessment Bonds, Series A, 6.00%, 5/01/22	2,185	2,141,977
		23,182,651
<b>Georgia — 0.8%</b>		
Richmond County Development Authority, RB, Environment, Series A, AMT, 5.75%, 11/01/27	2,350	2,309,486
<b>Illinois — 16.2%</b>		
City of Chicago Illinois, RB, General Airport, Third Lien, Series A (AMBAC):		
5.00%, 1/01/21	5,000	5,195,750
5.00%, 1/01/22	7,000	7,210,980
Illinois Finance Authority, RB:		
Depaul University, Series C, 5.25%, 10/01/24	5,000	5,066,900
MJH Education Assistance IV LLC, Sub-Series A, 5.50%, 6/01/19 (d)(e)	3,250	1,782,430
MJH Education Assistance IV LLC, Sub-Series B, 5.00%, 6/01/24 (d)(e)	1,075	288,573
Northwestern University, 5.00%, 12/01/21	4,800	5,153,376
Illinois State Toll Highway Authority, RB, Senior Priority, Series A (AGM), 5.00%, 1/01/19	2,250	2,363,783
Lake Cook-Dane & McHenry Counties Community Unit School District 220 Illinois, GO, Refunding (AGM), 5.25%, 12/01/20	1,000	1,177,320
Metropolitan Pier & Exposition Authority Illinois, Refunding RB, CAB, McCormick, Series A (NPFGC), 5.44%, 6/15/22 (a)	13,455	7,423,796
Railsplitter Tobacco Settlement Authority, RB, 5.25%, 6/01/20	10,000	10,042,500
State of Illinois, RB, Build Illinois, Series B, 5.00%, 6/15/20	2,000	2,127,520
		47,832,928
<b>Indiana — 4.9%</b>		
City of Vincennes Indiana, Refunding RB, Southwest Indiana Regional Youth Village, 6.25%, 1/01/24	4,220	3,590,123
Indianapolis Airport Authority, Refunding RB, Special Facilities, FedEx Corp. Project, AMT, 5.10%, 1/15/17	10,000	10,810,500
		14,400,623
<b>Kansas — 2.2%</b>		

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Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.25%, 11/15/20	2,500	2,758,500
Wyandotte County-Kansas City Unified Government, RB, Kansas International Speedway (NPFGC), 5.20%, 12/01/20 (a)	6,440	3,840,816 6,599,316
<b>Kentucky — 0.7%</b>		
Kentucky Housing Corp., RB, Series C, AMT, 4.63%, 7/01/22	2,000	1,995,560
<b>Louisiana — 0.7%</b>		
Parish of DeSoto Louisiana, RB, Series A, AMT, 5.85%, 11/01/27	2,000	1,986,400

See Notes to Financial Statements.

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**BlackRock Municipal 2020 Term Trust (BKK)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Maryland — 3.0%</b>		
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.13%, 6/01/20	\$ 1,250	\$ 1,201,300
Maryland Health & Higher Educational Facilities Authority, Refunding RB:		
Charlestown Community, 5.50%, 1/01/21	1,335	1,369,122
MedStar Health, 5.38%, 8/15/24	5,500	5,539,765
University of Maryland Medical System, 5.00%, 7/01/19	670	705,765
		8,815,952
<b>Massachusetts — 1.6%</b>		
Massachusetts Development Finance Agency, RB, Waste Management Inc. Project, AMT, 5.45%, 6/01/14	4,500	4,732,425
Massachusetts State Water Pollution Abatement, Refunding RB, MWRA Program, Sub-Series A, 6.00%, 8/01/23	140	140,498
		4,872,923
<b>Michigan — 2.2%</b>		
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.00%, 5/15/20	1,790	1,880,574
Michigan State Hospital Finance Authority, Refunding RB, Hospital, Sparrow Obligated, 4.50%, 11/15/26	1,500	1,306,305
State of Michigan, Refunding RB:		
5.00%, 11/01/20	1,000	1,106,270
5.00%, 11/01/21	2,000	2,191,600
		6,484,749
<b>Minnesota — 0.4%</b>		
Minnesota Higher Education Facilities Authority, RB, University of St. Thomas, Series 5-Y, 5.00%, 10/01/24	1,250	1,279,800
<b>Mississippi — 1.0%</b>		
County of Warren Mississippi, RB, Series A, AMT, 5.85%, 11/01/27	3,000	2,979,600
<b>Missouri — 3.7%</b>		
Missouri Development Finance Board, RB, Branson		

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Landing Project, Series A, 5.50%, 12/01/24	5,000	5,119,300
Missouri State Health & Educational Facilities Authority, Refunding RB, BJC Health System, Series A, 5.00%, 5/15/20	5,500	5,741,010
		10,860,310

**Multi-State — 6.2%**

Centerline Equity Issuer Trust (c)(f):		
5.75%, 5/15/15	1,000	1,053,130
6.00%, 5/15/15	4,000	4,200,240
6.00%, 5/15/19	2,500	2,616,875
6.30%, 5/15/19	2,500	2,627,125
MuniMae TE Bond Subsidiary LLC (c)(f)(g):		
5.40%	5,000	3,399,950
5.80%	5,000	3,399,950
Series D, 5.90%	2,000	1,119,660
		18,416,930

**Nevada — 2.1%**

City of Henderson Nevada, Special Assessment Bonds, District No. T-18, 5.15%, 9/01/21	1,760	973,157
County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/20	5,000	5,180,050
		6,153,207

**New Hampshire — 4.9%**

New Hampshire Business Finance Authority, Refunding RB, Public Service Co. of New Hampshire Project, Series B, AMT (NPFGC), 4.75%, 5/01/21	10,000	9,851,400
New Hampshire Health & Education Facilities Authority, Refunding RB, Elliot Hospital, Series B, 5.60%, 10/01/22	4,500	4,564,890
		14,416,290

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey — 12.6%</b>		
Middlesex County Improvement Authority, RB, Street Student Housing Project, Series A, 5.00%, 8/15/23	\$ 1,000	\$ 999,930
New Jersey EDA, RB: Cigarette Tax, 5.50%, 6/15/24	10,000	9,300,300
Continental Airlines Inc. Project, AMT, 7.00%, 11/15/30 (h)	5,000	4,872,750
Continental Airlines Inc. Project, AMT,		

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9.00%, 6/01/33 (h)	1,500	1,558,440
Kapkowski Road Landfill Project, Series 1998B, AMT, 6.50%, 4/01/31	7,500	7,124,400
New Jersey EDA, Refunding RB: First Mortgage, Winchester, Series A, 4.80%, 11/01/13	765	787,529
School Facilities, Series GG, 5.00%, 9/01/22	2,000	2,078,680
New Jersey Educational Facilities Authority, Refunding RB, University of Medicine & Dentistry, Series B, 6.25%, 12/01/18	2,500	2,768,850
New Jersey Health Care Facilities Financing Authority, Refunding RB: AtlantiCare Regional Medical Center, 5.00%, 7/01/20	2,110	2,214,276
Capital Health System Obligation Group, Series A, 5.75%, 7/01/13 (b)	4,000	4,391,720
Newark Housing Authority, RB, South Ward Police Facility (AGC), 5.00%, 12/01/21	1,250	1,328,475
		37,425,350
 <b>New York — 8.8%</b>		
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (h): 7.63%, 8/01/25	5,635	5,686,335
7.75%, 8/01/31	5,000	5,050,050
New York State Energy Research & Development Authority, Refunding RB, Brooklyn Union Gas/Keyspan, Series A, AMT (FGIC), 4.70%, 2/01/24	8,500	8,536,805
Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 5.00%, 12/01/20	1,525	1,487,973
Tobacco Settlement Financing Corp. New York, RB, Asset-Backed, Series B-1C, 5.50%, 6/01/20	5,000	5,318,250
		26,079,413
 <b>North Carolina — 2.4%</b>		
North Carolina Eastern Municipal Power Agency, Refunding RB, Series B, 5.00%, 1/01/21	1,550	1,645,139
North Carolina Municipal Power Agency No. 1, Refunding RB, Series B, 5.00%, 1/01/20	5,000	5,592,300
		7,237,439
 <b>Ohio — 6.7%</b>		
American Municipal Power-Ohio Inc., RB, Prairie State Energy Campus Project, Series A, 5.25%, 2/15/23	5,000	5,246,650
County of Cuyahoga Ohio, Refunding RB, Series A: 6.00%, 1/01/19	3,000	3,214,920

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6.00%, 1/01/20	10,000	10,673,800
Pinnacle Community Infrastructure Financing Authority, RB,		
Facilities, Series A, 6.00%, 12/01/22	916	786,624
		19,921,994
 <b>Oklahoma — 1.2%</b>		
Tulsa Airports Improvement Trust, RB, Series A, Mandatory		
Put Bonds, AMT, 7.75%, 6/01/35 (h)	3,350	3,442,594
 <b>Pennsylvania — 7.3%</b>		
Lancaster County Hospital Authority, RB, General Hospital		
Project, 5.75%, 9/15/13 (b)	7,500	8,332,500
Montgomery County IDA Pennsylvania, MRB, Whitemarsh		
Continuing Care, 6.00%, 2/01/21	1,275	1,138,473
Pennsylvania Higher Educational Facilities Authority, RB,		
LaSalle University, 5.50%, 5/01/26	6,680	6,724,021

See Notes to Financial Statements.

**BlackRock Municipal 2020 Term Trust (BKK)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania (concluded)</b>		
Pennsylvania Turnpike Commission, RB, Sub-Series A (AGC), 5.00%, 6/01/22	\$ 1,000	\$ 1,060,900
Pennsylvania Turnpike Commission, Refunding RB, Series A, 5.00%, 12/01/20	4,000	4,460,560
		21,716,454
<b>Puerto Rico — 4.5%</b>		
Commonwealth of Puerto Rico, GO, Public Improvement, Series B, 5.25%, 7/01/17	3,300	3,450,810
Puerto Rico Electric Power Authority, RB, Series NN, 5.13%, 7/01/13 (b)	9,000	9,848,790
		13,299,600
<b>South Carolina — 0.7%</b>		
South Carolina State Ports Authority, RB, 5.00%, 7/01/20	2,000	2,164,160
<b>Texas — 7.5%</b>		
Central Texas Regional Mobility Authority, RB, Senior Lien: 5.75%, 1/01/19	800	843,512
5.75%, 1/01/20	1,140	1,182,419
City of Dallas Texas, Refunding RB (AGC), 5.00%, 8/15/21	2,500	2,638,175
North Texas Tollway Authority, RB, Series C: 5.25%, 1/01/20	1,000	1,072,270
5.38%, 1/01/21	5,000	5,371,450
Port Corpus Christi Industrial Development Corp. Texas, Refunding RB, Valero, Series C, 5.40%, 4/01/18	2,985	2,966,016
Texas State Turnpike Authority, RB, CAB, First Tier, Series A (AMBAC) (a): 5.39%, 8/15/21	7,990	4,488,063
5.54%, 8/15/24	8,450	3,634,007
		22,195,912
<b>U.S. Virgin Islands — 0.5%</b>		
Virgin Islands Public Finance Authority, RB, Senior Lien, Matching Fund Loan Note, Series A, 5.25%, 10/01/17	1,000	1,054,860
Virgin Islands Public Finance Authority, Refunding RB, Senior Secured, Hovensa Coker Project, AMT,		

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6.50%, 7/01/21	500	483,335
		1,538,195

**Virginia — 7.9%**

Celebrate North Community Development Authority, Special Assessment Bonds, Celebrate Virginia North Project, Series B, 6.60%, 3/01/25	4,778	3,589,568
Charles City County EDA, RB, Waste Management Inc. Project, Mandatory Put Bonds, AMT, 5.13%, 8/01/27 (h)	10,000	10,481,600
Mecklenburg County IDA Virginia, Refunding RB, Exempt Facility, UAE LP Project, AMT, 6.50%, 10/15/17	7,500	7,449,150
Russell County IDA, Refunding RB, Appalachian Power, Series K, 4.63%, 11/01/21	2,000	2,023,040
		23,543,358

**Wisconsin — 3.0%**

State of Wisconsin, Refunding RB, Series A, 5.25%, 5/01/20	1,000	1,141,800
Wisconsin Health & Educational Facilities Authority, Refunding RB: Froedtert & Community Health Inc., 5.00%, 4/01/20	1,515	1,616,944
Wheaton Franciscan Services, Series A, 5.50%, 8/15/17	2,880	2,916,403
Wheaton Franciscan Services, Series A, 5.50%, 8/15/18	3,190	3,217,785
		8,892,932
<b>Total Municipal Bonds — 154.8%</b>		458,407,555

<b>Municipal Bonds Transferred to Tender Option Bond Trusts (i)</b>	<b>Par (000)</b>	<b>Value</b>
<b>Illinois — 1.8%</b>		
City of Chicago Illinois, Refunding RB, Second Lien (AGM), 5.00%, 11/01/20	\$ 5,000	\$ 5,319,100
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts — 1.8%</b>		5,319,100
<b>Total Long-Term Investments (Cost — \$468,058,321 — 156.6%</b>		463,726,655
<b>Short-Term Securities</b>	<b>Shares</b>	
FPI Institutional Tax-Exempt Fund, 0.23% (j)(k)	3,220,721	3,220,721
<b>Total Short-Term Securities (Cost — \$3,220,721) — 1.1%</b>		3,220,721
<b>Total Investments (Cost — \$471,279,042*) — 157.7%</b>		466,947,376

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<b>Other Assets Less Liabilities — 2.3%</b>	6,751,315
<b>Liability for Trust Certificates, Including Interest</b>	
<b>Expense and Fees Payable — (1.3)%</b>	(3,756,044)
<b>Preferred Shares, at Redemption Value — (58.7)%</b>	(173,860,783)
<b>Net Assets Applicable to Common Shares — 100.0%</b>	\$296,081,864

\* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$466,977,664
Gross unrealized appreciation	\$ 13,335,109
Gross unrealized depreciation	(17,115,397)
Net unrealized depreciation	\$ (3,780,288)

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(d) Issuer filed for bankruptcy and/or is in default of interest payments.

(e) Non-income producing security.

(f) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

(g) Security is perpetual in nature and has no stated maturity date.

(h) Variable rate security. Rate shown is as of report date.

(i) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(j) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<b>Affiliate</b>	<b>Shares Held at</b>	<b>Net</b>	<b>Shares Held at</b>	<b>Income</b>
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2010</b>	<b>Activity</b>	<b>2011</b>	
FFI Institutional				
Tax-Exempt Fund	1,901,695	1,319,026	3,220,721	\$11,232

(k) Represents the current yield as of report date.

See Notes to Financial Statements.





## BlackRock Municipal 2020 Term Trust (BKK) Schedule of Investments (concluded)

•Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of April 30, 2011 in determining the fair valuation of the Trust's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Long-Term				
Investments <sup>1</sup>	—	\$463,726,655	—	\$463,726,655
Short-Term				
Securities	\$ 3,220,721	—	—	3,220,721
<b>Total</b>	<b>\$ 3,220,721</b>	<b>\$463,726,655</b>	<b>—</b>	<b>\$466,947,376</b>

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

**BlackRock Municipal Income Trust (BFK)****Schedule of Investments** April 30, 2011

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Alabama — 0.7%</b>		
Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40	\$ 4,080	\$ 4,062,987
<b>Arizona — 3.8%</b>		
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	3,860	3,892,424
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32	10,030	8,639,742
5.00%, 12/01/37	9,460	7,840,353
		20,372,519
<b>Arkansas — 0.6%</b>		
County of Little River Arkansas, Refunding RB, Georgia- Pacific Corp. Project, AMT, 5.60%, 10/01/26	3,255	2,991,475
<b>California — 27.2%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44	4,445	4,589,463
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)	17,855	130,163
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42	6,230	6,317,905
California HFA, RB, Home Mortgage, Series G, AMT, 5.50%, 8/01/42	5,925	5,877,541
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34	2,315	2,391,603
California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 5.50%, 10/01/33	5,000	4,911,300
City of Lincoln California, Special Tax Bonds, Community Facilities District No. 2003-1, 6.00%, 9/01/13 (b)	3,115	3,533,407
Foothill Eastern Transportation Corridor Agency California, Refunding RB, CAB (a): 6.08%, 1/15/32	54,635	8,841,036
6.09%, 1/15/38	75,000	6,979,500
Golden State Tobacco Securitization Corp. California, RB,		

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Series 2003-A-1, 6.63%, 6/01/13 (b)	5,000	5,600,200
Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39	1,560	1,553,152
Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40	11,690	11,206,268
Los Angeles Regional Airports Improvement Corp. California, Refunding RB, Facilities, LAXFUEL Corp., LA International, AMT (AMBAC), 5.50%, 1/01/32	13,320	11,705,749
Los Angeles Unified School District California, GO, Series D: 5.25%, 7/01/24	5,000	5,325,850
5.25%, 7/01/25	3,490	3,670,782
5.00%, 7/01/26	1,305	1,339,243
Murrieta Community Facilities District Special Tax California, Special Tax Bonds, District No. 2, The Oaks Improvement Area A, 6.00%, 9/01/34	5,000	4,460,000
San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	18,550	18,327,771
State of California, GO, Various Purpose: 6.00%, 3/01/33	4,970	5,310,197
6.50%, 4/01/33	20,410	22,419,364
University of California, RB, Limited Project, Series B, 4.75%, 5/15/38	9,840	8,974,670
West Valley-Mission Community College District, GO, Election of 2004, Series A (AGM), 4.75%, 8/01/30	4,015	3,834,164
		147,299,328

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Colorado — 2.3%</b>		
City of Colorado Springs Colorado, RB, Subordinate Lien, Improvement, Series C (AGM), 5.00%, 11/15/45	\$ 2,115	\$ 2,104,594
Colorado Health Facilities Authority, Refunding RB: Catholic Health, Series A, 5.50%, 7/01/34	4,205	4,210,130
Sisters of Leavenworth, Series A, 5.00%, 1/01/40	4,310	3,936,926
Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37	2,530	2,183,188
		12,434,838
<b>Connecticut — 0.5%</b>		

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Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40	2,710	2,593,145
<b>Delaware — 1.7%</b>		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	2,225	2,170,866
Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45	7,950	6,826,744
		8,997,610
<b>District of Columbia — 4.7%</b>		
District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%, 6/01/33	2,390	1,818,025
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40	23,035	21,077,486
Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: 5.00%, 10/01/39	990	943,797
5.25%, 10/01/44	1,545	1,481,608
		25,320,916
<b>Florida — 5.8%</b>		
County of Miami-Dade Florida, RB, Water & Sewer System, 5.00%, 10/01/34	6,625	6,490,380
County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41	2,280	2,161,440
County of Orange Florida, Refunding RB (Syncora), 4.75%, 10/01/32	2,385	2,182,418
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	7,045	7,184,209
Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40	4,450	4,431,399
Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35	3,650	2,813,311
Village Community Development District No. 6, Special Assessment Bonds, 5.63%, 5/01/22	6,215	5,909,160
		31,172,317
<b>Georgia — 2.5%</b>		
De Kalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	1,650	1,595,501
Metropolitan Atlanta Rapid Transit Authority, RB, Third Series, 5.00%, 7/01/39	5,000	4,999,650
Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38	2,990	3,013,561
Richmond County Development Authority, Refunding RB,		

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International Paper Co. Project, Series A, AMT,

6.00%, 2/01/25	4,000	3,995,480
		13,604,192

### Guam — 0.8%

Territory of Guam, GO, Series A:

6.00%, 11/15/19	1,245	1,245,784
6.75%, 11/15/29	1,775	1,769,906
7.00%, 11/15/39	1,255	1,282,409
		4,298,099

See Notes to Financial Statements.

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**BlackRock Municipal Income Trust (BFK)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Hawaii — 0.5%</b>		
State of Hawaii, Refunding RB, Series A, 5.25%, 7/01/30 \$	2,660	\$ 2,682,929
<b>Illinois — 9.7%</b>		
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41 (c)	11,385	12,132,311
Illinois Finance Authority, RB:		
Advocate Health Care, Series C, 5.38%, 4/01/44	10,630	9,983,909
MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (d)(e)	1,675	449,637
Navistar International, Recovery Zone, 6.50%, 10/15/40	3,010	3,023,184
Illinois Finance Authority, Refunding RB:		
Central DuPage Health, Series B, 5.50%, 11/01/39	3,160	3,003,264
Elmhurst Memorial Healthcare, 5.63%, 1/01/28	3,000	2,789,640
Friendship Village Schaumburg, Series A, 5.63%, 2/15/37	845	644,270
Series 05-A, 5.25%, 7/01/41	760	769,181
Metropolitan Pier & Exposition Authority, Refunding RB (AGM), McCormick Place Expansion Project:		
Series B, 5.00%, 6/15/50	6,155	5,370,792
Series B-2, 5.00%, 6/15/50	4,885	4,163,925
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	2,625	2,532,810
6.00%, 6/01/28	2,245	2,159,106
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,240	1,199,626
Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC) (a):		
6.01%, 1/01/33	6,820	1,509,812
6.01%, 1/01/34	14,085	2,895,876
		52,627,343
<b>Indiana — 3.3%</b>		
City of Vincennes Indiana, Refunding RB, Southwest Indiana Regional Youth Village, 6.25%, 1/01/24	2,030	1,727,002

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Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39	1,655	1,526,655
Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.50%, 9/15/31	9,000	7,302,960
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	2,150	2,204,180
Petersburg Indiana, RB, Indiana Power & Light, AMT, 5.90%, 12/01/24	5,000	5,091,550
		17,852,347

### **Kansas — 0.6%**

Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40	3,275	3,130,736
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### **Kentucky — 0.3%**

Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	1,990	1,888,072
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### **Louisiana — 1.2%**

Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	6,535	6,560,225
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### **Maryland — 1.8%**

Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 4.65%, 9/01/32	2,465	2,238,097
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	855	782,068
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	1,760	1,684,021
Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community, 6.25%, 1/01/41	4,295	4,176,071

<b>Municipal Bonds</b>	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	
<b>Maryland (concluded)</b>		
Montgomery County Housing Opportunities Commission, RB, Series D, AMT, 5.50%, 1/01/38	\$ 920	\$ 961,437
		9,841,694

### **Massachusetts — 0.6%**

Massachusetts Health & Educational Facilities Authority,

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Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39	3,535	3,307,028
<b>Michigan — 1.1%</b>		
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36	2,700	2,569,698
Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46	4,230	3,529,343 6,099,041
<b>Mississippi — 2.6%</b>		
City of Gulfport Mississippi, RB, Memorial Hospital at Gulfport Project, Series A, 5.75%, 7/01/31	14,425	14,187,132
<b>Missouri — 0.3%</b>		
Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Home, 5.50%, 2/01/42	2,035	1,758,281
<b>Multi-State — 4.4%</b>		
Centerline Equity Issuer Trust, 6.80%, 10/31/52 (f)(g) MuniMae TE Bond Subsidiary LLC, 7.50%, 6/30/49 (f)(g)(h)	16,000 7,171	17,231,680 6,669,357 23,901,037
<b>Nebraska — 0.7%</b>		
Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.63%, 1/01/40	3,280	3,138,238
Lancaster County Hospital Authority No. 1, RB, Immanuel Obligation Group, 5.63%, 1/01/40	600	586,176 3,724,414
<b>Nevada — 0.8%</b>		
County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29	4,550	4,326,595
<b>New Hampshire — 0.7%</b>		
New Hampshire Health & Education Facilities Authority, RB, Exeter Project, 5.75%, 10/01/31	3,500	3,539,165
<b>New Jersey — 7.9%</b>		
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (d)(e) New Jersey EDA, RB: Cigarette Tax, 5.75%, 6/15/29	3,680 15,500	368,000 14,087,175
Continental Airlines Inc. Project, AMT, 6.25%, 9/15/29 Continental Airlines Inc. Project, AMT, 7.00%, 11/15/30 (h)	3,000 15,410	2,734,470 15,017,815
New Jersey EDA, Special Assessment Bonds, Refunding,		



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Kapkowski Road Landfill Project, 6.50%, 4/01/28	8,000	7,979,920
Tobacco Settlement Financing Corp. New Jersey, Refunding RB, Series 1A, 4.50%, 6/01/23	3,195	2,691,596
		42,878,976

### **New York — 6.9%**

Albany Industrial Development Agency, RB, New Covenant		
Charter School Project, Series A, 7.00%, 5/01/35 (d)(e)	1,820	455,055
Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40	2,375	2,326,051
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (h): 8.00%, 8/01/28	5,000	5,126,400
7.75%, 8/01/31	22,140	22,361,621
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	2,400	2,402,256

See Notes to Financial Statements.

**BlackRock Municipal Income Trust (BFK)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New York (concluded)</b>		
Port Authority of New York & New Jersey, RB, JFK International Air Terminal:		
6.00%, 12/01/36	\$ 2,525	\$ 2,436,928
6.00%, 12/01/42	2,460	2,350,776
		37,459,087
<b>North Carolina — 4.7%</b>		
Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35		
	12,130	9,159,120
North Carolina Capital Facilities Finance Agency, RB, Duke University Project, Series B, 5.00%, 10/01/38		
	10,000	10,182,900
North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 4.25%, 7/01/42		
	3,610	3,216,763
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42		
	2,750	2,616,790
		25,175,573
<b>Ohio — 2.5%</b>		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38		
	6,125	5,483,345
County of Montgomery Ohio, Refunding RB, Catholic Healthcare, Series A, 5.00%, 5/01/39		
	5,450	5,055,638
Pinnacle Community Infrastructure Financing Authority, RB, Facilities, Series A, 6.25%, 12/01/36		
	3,760	2,835,867
		13,374,850
<b>Oklahoma — 1.4%</b>		
Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (h)		
	7,175	7,373,317
<b>Pennsylvania — 2.7%</b>		
Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40		
	3,000	2,229,630
Pennsylvania Economic Development Financing		

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Authority, RB:

Amtrak Project, Series A, AMT, 6.38%, 11/01/41	6,500	6,505,265
Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40	3,725	3,662,793
Pennsylvania Turnpike Commission, RB, Sub-Series D, 5.13%, 12/01/40	2,100	1,970,913
		14,368,601

### **Puerto Rico — 4.7%**

Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39	4,350	4,256,997
Puerto Rico Sales Tax Financing Corp., RB:		
CAB, Series A, 6.66%, 8/01/33 (a)	12,670	2,916,507
CAB, Series A, 6.67%, 8/01/36 (a)	40,000	7,141,200
First Sub-Series A, 6.50%, 8/01/44	10,900	11,371,970
		25,686,674

### **South Carolina — 2.1%**

South Carolina Jobs-EDA, Refunding RB, Palmetto Health Alliance, Series A, 6.25%, 8/01/31	5,075	4,999,941
South Carolina State Ports Authority, RB, 5.25%, 7/01/40	6,455	6,369,084
		11,369,025

### **Tennessee — 0.6%**

Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM), 5.70%, 1/01/20 (a)	5,055	3,187,026
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### **Texas — 14.6%**

Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30	4,370	1,881,023
Brazos River Authority, Refunding RB, TXU Electric Co. Project, Series C, Mandatory Put Bonds, AMT, 5.75%, 5/01/36 (h)	3,625	3,550,180

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Texas (concluded)</b>		
City of Dallas Texas, Refunding RB, 5.00%, 10/01/35	\$ 2,970	\$ 3,078,286
City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/39	3,000	3,038,730
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35	16,425	17,990,795
Harris County-Houston Sports Authority, Refunding RB (NPFGC) (a):		

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CAB, Junior Lien, Series H, 6.12%, 11/15/35	5,000	576,200
CAB, Senior Lien, Series A, 5.95%, 11/15/38	12,580	1,173,462
Third Lien, Series A-3, 5.97%, 11/15/37	26,120	2,524,237
Lower Colorado River Authority, Refunding RB:		
(NPFGC), 5.00%, 5/15/13 (b)	70	76,011
(NPFGC), 5.00%, 5/15/13 (b)	50	54,347
(NPFGC), 5.00%, 5/15/31	1,150	1,151,736
LCRA Transmission Services Project (AMBAC),		
4.75%, 5/15/34	140	130,703
Series A (NPFGC), 5.00%, 5/15/13 (b)	5	5,435
North Texas Tollway Authority, RB, Toll, Second Tier, Series F,		
6.13%, 1/01/31	12,180	12,443,575
San Antonio Energy Acquisition Public Facility Corp., RB,		
Gas Supply, 5.50%, 8/01/25	6,540	6,446,740
Tarrant County Cultural Education Facilities Finance Corp.,		
RB, Scott & White Healthcare, 6.00%, 8/15/45	7,930	8,076,071
Texas Private Activity Bond Surface Transportation Corp.,		
RB, Senior Lien:		
LBJ Infrastructure Group LLC, LBJ Freeway Managed		
Lanes Project, 7.00%, 6/30/40	7,975	8,125,568
NTE Mobility Partners LLC, North Tarrant Express		
Managed Lanes Project, 6.88%, 12/31/39	7,590	7,786,581
Texas State Affordable Housing Corp., RB, American		
Opportunity Housing Portfolio, Junior Series B,		
8.00%, 3/01/32 (d)(e)	4,435	205,828
Texas State Turnpike Authority, RB, First Tier, Series A		
(AMBAC), 5.00%, 8/15/42	640	547,181
		78,862,689
<b>Utah — 1.2%</b>		
City of Riverton Utah, RB, IHC Health Services Inc.,		
5.00%, 8/15/41	7,150	6,625,047
<b>Virginia — 1.7%</b>		
City of Norfolk Virginia, Refunding RB, Series B (AMBAC),		
5.50%, 2/01/31	2,240	2,113,642
Virginia Commonwealth Transportation Board, RB, CAB,		
Contract, Route 28 (NPFGC), 5.29%, 4/01/32 (a)	8,105	2,608,918
Virginia HDA, RB, Sub-Series H-1 (NPFGC),		
5.35%, 7/01/31	4,520	4,521,582
		9,244,142
<b>Washington — 0.7%</b>		
Washington Health Care Facilities Authority, RB, Swedish		

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Health Services, Series A, 6.75%, 11/15/41	3,900	4,043,676
<b>Wisconsin — 2.5%</b>		
Wisconsin Health & Educational Facilities Authority, RB:		
Ascension Health Senior Credit Group, 5.00%, 11/15/30	3,210	3,093,573
Ascension Health Senior Credit Group, 5.00%, 11/15/33	1,640	1,542,814
Aurora Health Care, 6.40%, 4/15/33	7,500	7,572,375
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health Inc., 5.38%, 10/01/30	1,205	1,205,349
		13,414,111
<b>Total Municipal Bonds — 133.4%</b>		721,636,259

See Notes to Financial Statements.

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**BlackRock Municipal Income Trust (BFK)**  
**Schedule of Investments (continued)**

<b>Municipal Bonds Transferred to</b>	<b>Par</b>	
<b>Tender Option Bond Trusts (i)</b>	<b>(000)</b>	<b>Value</b>
<b>Alabama — 0.8%</b>		
Alabama Special Care Facilities Financing Authority- Birmingham, Refunding RB, Ascension Health Senior Credit, Series C-2, 5.00%, 11/15/36	\$ 4,548	\$ 4,382,858
<b>California — 3.3%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39	5,115	5,247,478
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	4,500	4,464,720
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	3,260	3,314,715
University of California, RB, Series C (NPFGC), 4.75%, 5/15/37	5,000	4,574,350
		17,601,263
<b>Colorado — 2.2%</b>		
Colorado Health Facilities Authority, RB Catholic Health, (AGM):		
Series C-3, 5.10%, 10/01/41	7,600	7,121,124
Series C-7, 5.00%, 9/01/36	4,860	4,573,795
		11,694,919
<b>Connecticut — 3.5%</b>		
Connecticut State Health & Educational Facility Authority, RB, Yale University:		
Series T-1, 4.70%, 7/01/29	9,400	9,640,358
Series X-3, 4.85%, 7/01/37	9,360	9,410,918
		19,051,276
<b>Illinois — 1.5%</b>		
Chicago Housing Authority, Refunding RB (AGM), 5.00%, 7/01/24	8,232	8,394,685
<b>Massachusetts — 1.3%</b>		
Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41	6,770	6,819,218
<b>New Hampshire — 0.8%</b>		
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39	3,988	4,131,366

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**New York — 4.7%**

New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40	3,074	3,204,804
New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35	16,709	16,730,982
New York State Environmental Facilities Corp., RB, Revolving Funds, New York City Municipal Water Project, Series B, 5.00%, 6/15/31	5,370	5,409,523
		25,345,309

**Virginia — 2.0%**

University of Virginia, Refunding RB, General, 5.00%, 6/01/40	10,750	11,000,690
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**Washington — 3.7%**

Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32	5,459	5,558,983
State of Washington, GO, Various Purpose, Series E, 5.00%, 2/01/34	14,487	14,699,960
		20,258,943

**Total Municipal Bonds Transferred to**

**Tender Option Bond Trusts — 23.8%** 128,680,527

**Total Long-Term Investments**

**(Cost — \$903,731,749) — 157.2%** 850,316,786

**Short-Term Securities**

	Shares	Value
FPI Institutional Tax-Exempt Fund, 0.23% (j)(k)	30,616,864	\$ 30,616,864

**Par  
(000)**

Michigan Finance Authority, RB, SAN, Detroit Schools, Series A-1, 6.45%, 2/20/12	\$ 6,375	6,414,970
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**Total Short-Term Securities**

**(Cost — \$36,991,864) — 6.8%** 37,031,834

**Total Investments (Cost — \$940,723,613\*) — 164.0%** 887,348,620

**Liabilities in Excess of Other Assets — 0.0%** (121,316)

**Liability for Trust Certificates, Including Interest**

**Expense and Fees Payable — (13.9)%** (75,240,368)

**Preferred Shares, at Redemption Value — (50.1)%** (270,889,850)

**Net Assets Applicable to Common Shares — 100.0%** \$ 541,097,086

\* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

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Aggregate cost	\$ 864,271,327
Gross unrealized appreciation	\$ 13,738,570
Gross unrealized depreciation	(65,843,424)
Net unrealized depreciation	\$ (52,104,854)

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	Value	Unrealized Appreciation
CitiGroup Global Markets, Inc.	\$12,132,311	\$ 122,503

(d) Issuer filed for bankruptcy and/or is in default of interest payments.

(e) Non-income producing security.

(f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(g) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

(h) Variable rate security. Rate shown is as of report date.

(i) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(j) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at April 30, 2010	Net Activity	Shares Held at April 30, 2011	Income
FFI Institutional				
Tax-Exempt Fund	22,810,780	7,806,084	30,616,864	\$19,328

(k) Represents the current yield as of report date.

•Financial futures contracts sold as of April 30, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
405	10-Year U.S.	Chicago Board	June		
	Treasury Note	of Trade	2011	\$47,998,059	\$(1,063,895)



See Notes to Financial Statements.

**BlackRock Municipal Income Trust (BFK)**  
**Schedule of Investments (concluded)**

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial reporting purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total	
<b>Assets:</b>					
Investments in Securities:					
Long-Term					
Investments <sup>1</sup>	—		\$850,316,786	—	\$850,316,786
Short-Term					
Securities		\$ 30,616,864	6,414,970	—	37,031,834
<b>Total</b>		\$ 30,616,864	\$856,731,756	—	\$887,348,620

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

**Derivative Financial Instruments<sup>2</sup>**

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Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Interest				
rate				

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contracts	\$(1,063,895)	—	—\$(1,063,895)
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<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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**BlackRock Pennsylvania Strategic Municipal Trust (BPS)****Schedule of Investments** April 30, 2011

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania — 110.5%</b>		
<b>Corporate — 5.1%</b>		
Beaver County IDA, Refunding RB, FirstEnergy, Mandatory Put Bonds, 3.38%, 1/01/35 (a)	\$ 200	\$ 194,782
Montgomery County IDA Pennsylvania, RB, Aqua Pennsylvania Inc. Project, Series A, AMT, 5.25%, 7/01/42	300	278,343
Pennsylvania Economic Development Financing Authority, RB, Aqua Pennsylvania Inc. Project, Series A, AMT, 6.75%, 10/01/18	600	701,676
Pennsylvania Economic Development Financing Authority, Refunding RB, Aqua Pennsylvania Inc. Project, Series A, AMT, 5.00%, 12/01/34	180	172,301
		1,347,102
<b>County/City/Special District/School District — 13.4%</b>		
County of York Pennsylvania, GO, 5.00%, 3/01/36	100	100,736
Delaware Valley Regional Financial Authority, RB, Series A (AMBAC), 5.50%, 8/01/28	1,500	1,513,200
Marple Newtown School District, GO (AGM), 5.00%, 6/01/31	600	613,590
Owen J Roberts School District, GO, 4.75%, 11/15/25	700	720,713
Philadelphia School District, GO, Series E, 6.00%, 9/01/38	100	103,343
Scranton School District Pennsylvania, GO, Series A (AGM), 5.00%, 7/15/38	500	501,660
		3,553,242
<b>Education — 14.2%</b>		
Adams County IDA, Refunding RB, Gettysburg College: 5.00%, 8/15/24	100	104,267
5.00%, 8/15/25	100	103,296
4.50%, 8/15/27	140	135,281
Cumberland County Municipal Authority, RB, AICUP Financing Program, Dickinson College Project, 5.00%, 11/01/39	200	194,870
Delaware County Authority Pennsylvania, RB, Villanova		

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University, 5.25%, 12/01/31	100	103,488
Delaware County Authority, RB, Haverford College: 5.00%, 11/15/35	415	418,598
5.00%, 11/15/40	300	300,642
Lancaster Higher Education Authority, RB, Franklin & Marshall College Project, 5.00%, 4/15/37	500	487,915
Pennsylvania Higher Educational Facilities Authority, RB: Drexel University, Series A (NPFGC), 5.00%, 5/01/37	250	232,815
Thomas Jefferson University, 5.00%, 3/01/40	1,000	950,190
Pennsylvania Higher Educational Facilities Authority, Refunding RB, State System of Higher Education, Series AL, 5.00%, 6/15/35	100	100,139
Swarthmore Borough Authority, Refunding RB, Series A, 4.30%, 9/15/28	285	286,211
University of Pittsburgh Pennsylvania, RB, Capital Project, Series B, 5.00%, 9/15/28	350	369,800
		3,787,512

**Health — 46.2%**

Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A: 5.00%, 11/15/28	250	189,357
5.38%, 11/15/40	470	349,309
Berks County Municipal Authority, Refunding RB, Reading Hospital & Medical Center Project, Series A-3, 5.50%, 11/01/31	500	504,730
Bucks County IDA, Refunding RB, Pennswood Village Project, Series A, 6.00%, 10/01/12 (b)	1,150	1,246,968
Centre County Hospital Authority, RB, Mount Nittany Medical Center Project (c): 6.25%, 11/15/41	120	117,593
7.00%, 11/15/46	390	407,363
Cumberland County Municipal Authority, RB, Diakon Lutheran, 6.38%, 1/01/39	500	486,340

	<b>Par</b>	
	<b>(000)</b>	<b>Value</b>

**Municipal Bonds**

**Pennsylvania (continued)**

**Health (concluded)**

Dauphin County General Authority, Refunding RB, Pinnacle Health System Project, Series A, 6.00%, 6/01/29	\$ 500	\$ 495,075
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Franklin County IDA Pennsylvania, RB, Chambersburg Hospital Project, 5.38%, 7/01/42	415	379,667
Lehigh County General Purpose Authority, Refunding RB, Hospital, Saint Luke's Bethlehem, 5.38%, 8/15/13 (b)	2,000	2,211,940
Lycoming County Authority, Refunding RB, Susquehanna Health System Project, Series A, 5.75%, 7/01/39	210	188,750
Monroe County Hospital Authority Pennsylvania, Refunding RB, Hospital, Pocono Medical Center, 5.13%, 1/01/37	345	304,866
Montgomery County Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital, Series A, 5.13%, 6/01/33	370	346,527
Montgomery County IDA Pennsylvania, RB: Acts Retirement Life Community, 5.25%, 11/15/28	1,250	1,135,225
Acts Retirement Life Community, Series A, 4.50%, 11/15/36	375	280,620
New Regional Medical Center Project (FHA), 5.38%, 8/01/38	535	536,696
Pennsylvania Higher Educational Facilities Authority, RB: University of Pennsylvania Health System, 5.75%, 8/15/41	600	602,256
University of Pittsburgh Medical Center, Series E, 5.00%, 5/15/31	1,000	937,400
South Fork Municipal Authority, Refunding RB, Conemaugh Valley Memorial, Series B (AGC), 5.38%, 7/01/35	245	234,911
Southcentral General Authority, Refunding RB, Wellspan Health Obligor Group, Series A, 6.00%, 6/01/29	1,250	1,320,000
		12,275,593
<b>Housing — 9.5%</b>		
Pennsylvania HFA, RB, AMT: Series 94-A, 5.10%, 10/01/31	150	143,929
Series 95-A, 4.90%, 10/01/37	975	910,660
Pennsylvania HFA, Refunding RB, AMT: S/F Mortgage, Series 92-A, 4.75%, 4/01/31	110	101,209
Series 97A, 4.65%, 10/01/31	1,300	1,178,710
Series 99A, 5.15%, 4/01/38	200	191,570
		2,526,078
<b>State — 2.0%</b>		
Commonwealth of Pennsylvania, GO, First Series, 5.00%, 3/15/29	275	289,047
State Public School Building Authority, Refunding RB,		

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Harrisburg School District Project, Series A (AGC),

5.00%, 11/15/33	250	251,310
		540,357

### Transportation — 17.2%

City of Philadelphia Pennsylvania, RB, Series A,

5.00%, 6/15/40	1,000	949,980
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Delaware River Port Authority, RB, Series D,

5.00%, 1/01/40	750	737,603
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Pennsylvania Economic Development Financing Authority,

RB, Amtrak Project, Series A, AMT:

6.25%, 11/01/31	1,000	1,002,400
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6.38%, 11/01/41	1,000	1,000,810
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Pennsylvania Turnpike Commission, RB, Series A (AMBAC),

5.25%, 12/01/32	870	870,800
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4,561,593

### Utilities — 2.9%

City of Philadelphia Pennsylvania, RB:

Ninth Series, 5.25%, 8/01/40	270	248,468
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Series A, 5.25%, 1/01/36	100	97,827
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Series C (AGM), 5.00%, 8/01/40	350	338,488
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See Notes to Financial Statements.

## BlackRock Pennsylvania Strategic Municipal Trust (BPS)

## Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania (concluded)</b>		
<b>Utilities (concluded)</b>		
Pennsylvania Economic Development Financing Authority, RB, Philadelphia Biosolids Facility, 6.25%, 1/01/32	\$ 100	\$ 100,587
		785,370
<b>Total Municipal Bonds in Pennsylvania</b>		29,376,847
<b>Guam — 0.5%</b>		
<b>County/City/Special District/School District — 0.5%</b>		
Territory of Guam, RB, Section 30, Series A, 5.63%, 12/01/29	150	145,701
<b>Total Municipal Bonds in Guam</b>		145,701
<b>Multi-State — 12.6%</b>		
<b>Housing — 12.6%</b>		
MuniMae TE Bond Subsidiary LLC, 7.50%, 6/30/49 (a)(d)(e)	3,586	3,334,678
<b>Total Municipal Bonds in Multi-State</b>		3,334,678
<b>Puerto Rico — 18.5%</b>		
<b>State — 16.0%</b>		
Commonwealth of Puerto Rico, GO, Refunding, Sub-Series C-7 (NPFGC), 6.00%, 7/01/27	1,385	1,414,764
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series N, 5.00%, 7/01/37	300	253,314
Puerto Rico Public Finance Corp., RB, Commonwealth Appropriation, Series E, 5.50%, 2/01/12 (b)	1,495	1,553,454
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	1,000	1,036,520
		4,258,052
<b>Utilities — 2.5%</b>		
Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A, 6.00%, 7/01/38	200	190,600
Puerto Rico Electric Power Authority, RB, Series WW, 5.50%, 7/01/38	500	458,530
		649,130
<b>Total Municipal Bonds in Puerto Rico</b>		4,907,182



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**U.S. Virgin Islands — 0.3%**

**State — 0.3%**

Virgin Islands Public Finance Authority, RB, Senior Lien, Capital Projects, Series A-1, 5.00%, 10/01/39	100	84,053
<b>Total Municipal Bonds in the U.S. Virgin Islands</b>		84,053
<b>Total Municipal Bonds — 142.4%</b>		37,848,461

**Municipal Bonds Transferred to**

**Tender Option Bond Trusts (f)**

**Pennsylvania — 29.1%**

**Education — 5.7%**

Pennsylvania Higher Educational Facilities Authority, Refunding RB, Trustees of the University of Pennsylvania, Series C, 4.75%, 7/15/35	500	492,185
Pennsylvania State University, RB, 5.00%, 3/01/40	1,000	1,012,050
		1,504,235

**Health — 9.0%**

Geisinger Authority, RB, Series A: 5.13%, 6/01/34	500	487,100
5.25%, 6/01/39	1,000	986,930
Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Jefferson Health System, Series B, 5.00%, 5/15/40	1,000	921,080
		2,395,110

**Municipal Bonds Transferred to**

**Tender Option Bond Trusts (f)**

**Pennsylvania (concluded)**

**Housing — 3.5%**

Pennsylvania HFA, Refunding RB: Series 96-A, AMT, 4.70%, 10/01/37	\$ 500	\$ 448,565
Series 105C, 5.00%, 10/01/39	500	483,775
		932,340

**State — 7.1%**

Commonwealth of Pennsylvania, GO, First Series, 5.00%, 3/15/28	825	872,547
Pennsylvania Turnpike Commission, RB, Series C of 2003 Pennsylvania Turnpike (NPFGC), 5.00%, 12/01/32	1,000	1,008,120
		1,880,667

**Transportation — 3.8%**

City of Philadelphia Pennsylvania, RB, Series A, AMT

**Par**  
**(000)**                      **Value**

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(AGM), 5.00%, 6/15/37	1,150	1,015,680
<b>Total Municipal Bonds Transferred to</b>		
<b>Tender Option Bond Trusts – 29.1%</b>		7,728,032
<b>Total Long-Term Investments</b>		
<b>(Cost — \$46,403,557) — 171.5%</b>		45,576,493
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF Pennsylvania Municipal Money Fund, 0.00% (g)(h)	1,311,773	1,311,773
<b>Total Short-Term Securities</b>		
<b>(Cost — \$1,311,773) — 4.9%</b>		1,311,773
<b>Total Investments (Cost — \$47,715,330*) — 176.4%</b>		46,888,266
<b>Other Assets Less Liabilities — 0.5%</b>		140,198
<b>Liability for Trust Certificates, Including Interest</b>		
<b>Expense and Fees Payable — (15.5)%</b>		(4,128,618)
<b>Preferred Shares, at Redemption Value — (61.4)%</b>		(16,325,735)
<b>Net Assets Applicable to Common Shares — 100.0%</b>		\$ 26,574,111

\* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 43,525,138
Gross unrealized appreciation	\$ 752,698
Gross unrealized depreciation	(1,514,325)
Net unrealized depreciation	\$ (761,627)

(a) Variable rate security. Rate shown is as of report date.

(b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) When-issued security. Unsettled when-issued transactions were as follows:

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Merrill Lynch & Co., Inc.	\$ 524,956	\$ 3,923

(d) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(e) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.

(f) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.



## Schedule of Investments (concluded)

### BlackRock Pennsylvania Strategic Municipal Trust (BPS)

(g) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at	Net Activity	Shares Held at	Income
	April 30, 2010		April 30, 2011	
BIF Pennsylvania Municipal Money Fund	455,164	856,609	1,311,773	—

(h) Represents the current yield as of report date.

•For Trust compliance purposes, the Trust's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

•Financial futures contracts sold as of April 30, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
10	10-Year U.S. Treasury Note	Chicago Board of Trade	June 2011	\$ 1,185,137	\$ (26,269)

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

•Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial

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instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in Securities:				
Long-Term				
Investments <sup>1</sup>	—	\$ 45,576,493	—	\$ 45,576,493
Short-Term				
Securities	\$ 1,311,773	—	—	1,311,773
<b>Total</b>	\$ 1,311,773	\$45,576,493	—	\$ 46,888,266

<sup>1</sup> See above Schedule of Investments for values in each sector.

### Derivative Financial Instruments<sup>2</sup>

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Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Interest				
rate				
contracts	\$ (26,269)	—	—	—\$ (26,269)

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

**BlackRock Strategic Municipal Trust (BSD)**  
**Schedule of Investments** April 30, 2011  
(Percentages shown are based on Net Assets)

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Alabama — 0.7%</b>		
Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40	\$ 655	\$ 652,269
<b>Arizona — 2.8%</b>		
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	625	630,250
Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/37	1,320	1,094,003
San Luis Facility Development Corp., RB, Senior Lien, Regional Detention Center Project: 6.25%, 5/01/15	175	168,826
7.00%, 5/01/20	210	205,191
7.25%, 5/01/27	420	373,859
		2,472,129
<b>Arkansas — 0.5%</b>		
County of Little River Arkansas, Refunding RB, Georgia- Pacific Corp. Project, AMT, 5.60%, 10/01/26	525	482,496
<b>California — 16.4%</b>		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44	720	743,400
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)	3,095	22,563
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42	1,010	1,024,251
California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34	375	387,409
Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39	250	248,903
Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40	1,875	1,797,412
Los Angeles Unified School District California, GO, Series D, 5.00%, 7/01/26	1,585	1,626,590
San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39	2,965	2,929,479

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State of California, GO, Various Purpose:

6.00%, 3/01/33	800	854,760
6.50%, 4/01/33	650	713,993
University of California, RB, Limited Project, Series B, 4.75%, 5/15/38	1,285	1,171,997
West Valley-Mission Community College District, GO, Election of 2004, Series A (AGM), 4.75%, 8/01/30	3,350	3,199,116
		14,719,873

### Colorado — 5.7%

Colorado Health Facilities Authority, Refunding RB, Series A:

Catholic Health, 5.50%, 7/01/34	680	680,829
Sisters of Leavenworth, 5.00%, 1/01/40	690	630,274
Northwest Parkway Public Highway Authority Colorado, RB, CAB, Senior Series B (AGM), 6.30%, 6/15/11 (a)(b)	10,000	3,135,600
Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37	440	379,685
Regional Transportation District, COP, Series A, 5.38%, 6/01/31	320	324,694
		5,151,082

### Delaware — 2.1%

County of Sussex Delaware, RB, NRG Energy, Inc., Indian

River Project, 6.00%, 10/01/40	820	800,049
Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45	1,280	1,099,149
		1,899,198

	Par (000)	Value
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### Municipal Bonds

#### District of Columbia — 0.7%

Metropolitan Washington Airports Authority, RB, First

Senior Lien, Series A:

5.00%, 10/01/39	\$ 160	\$ 152,533
5.25%, 10/01/44	465	445,921
		598,454

#### Florida — 8.3%

Arborwood Community Development District, Special

Assessment Bonds, Master Infrastructure Projects,

Series B, 5.10%, 5/01/14	1,405	1,149,445
County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41	370	350,760

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Hillsborough County IDA, RB, National Gypsum Co., Series A, AMT, 7.13%, 4/01/30	3,300	2,889,183
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	1,170	1,193,119
Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40	720	716,990
Sumter Landing Community Development District Florida, RB, Sub-Series B, 5.70%, 10/01/38	1,540	1,170,554
		7,470,051
<b>Georgia — 2.1%</b>		
De Kalb Private Hospital Authority, Refunding RB, Children's Healthcare, 5.25%, 11/15/39	265	256,247
Metropolitan Atlanta Rapid Transit Authority, RB, Third Series, 5.00%, 7/01/39	1,095	1,094,923
Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38	485	488,822
		1,839,992
<b>Guam — 0.5%</b>		
Territory of Guam, GO, Series A: 6.00%, 11/15/19	200	200,126
6.75%, 11/15/29	290	289,168
		489,294
<b>Hawaii — 0.5%</b>		
State of Hawaii, Refunding RB, Series A, 5.25%, 7/01/30	425	428,664
<b>Illinois — 13.6%</b>		
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41 (c)	1,855	1,976,762
Illinois Finance Authority, RB: MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (d)(e)	300	80,532
Northwestern University, 5.00%, 12/01/33	5,000	5,056,600
Illinois Finance Authority, Refunding RB: Central DuPage Health, Series B, 5.50%, 11/01/39	2,500	2,376,000
Friendship Village Schaumburg, Series A, 5.63%, 2/15/37	145	110,556
Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project (AGM): CAB, Series B, 6.25%, 6/15/44 (a)	2,980	317,996
Series B, 5.00%, 6/15/50	990	863,864
Series B-2, 5.00%, 6/15/50	785	669,126
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	175	168,854



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6.00%, 6/01/28	365	351,035
State of Illinois, RB, Build Illinois, Series B,		
5.25%, 6/15/34	200	193,488
		12,164,813

See Notes to Financial Statements.

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**BlackRock Strategic Municipal Trust (BSD)**  
**Schedule of Investments (continued)**  
(Percentages shown are based on Net Assets)

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Indiana — 2.3%</b>		
Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39	\$ 270	\$ 249,061
Indiana Finance Authority, Refunding RB, Ascension Health Senior Credit, Series B-5, 5.00%, 11/15/36	500	457,585
Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.38%, 9/15/22	1,060	969,052
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	350	358,820
		2,034,518
<b>Kansas — 0.5%</b>		
Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40	450	430,177
<b>Kentucky — 8.7%</b>		
Kentucky Economic Development Finance Authority, Refunding RB: Norton Healthcare Inc., Series B (NPFGC), 6.20%, 10/01/24 (a)	16,870	7,469,361
Owensboro Medical Health System, Series A, 6.38%, 6/01/40	320	303,610
		7,772,971
<b>Louisiana — 1.2%</b>		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	1,055	1,059,072
<b>Maryland — 3.7%</b>		
Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 4.70%, 9/01/37	2,500	2,236,700
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35	135	123,484
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	260	248,776
Maryland Health & Higher Educational Facilities Authority,		

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Refunding RB, Charlestown Community, 6.25%, 1/01/41	690	670,894
		3,279,854

### Massachusetts — 0.6%

Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39	570	533,241
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### Michigan — 2.4%

Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36	435	414,007
Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46	730	609,083
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,000	1,133,770
		2,156,860

### Missouri — 0.3%

Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Home, 5.50%, 2/01/42	330	285,127
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### Multi-State — 3.7%

MuniMae TE Bond Subsidiary LLC, 7.50%, 6/30/49 (f)(g)(h)	3,586	3,334,678
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### Nebraska — 0.8%

Douglas County Hospital Authority No. 2, RB, Health Facilities, Immanuel Obligation Group, 5.63%, 1/01/40	720	688,882
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### Nevada — 0.9%

County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29	880	836,792
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	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey — 4.8%</b>		
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (d)(e) \$	645	\$ 64,500
New Jersey EDA, RB: Cigarette Tax, 5.50%, 6/15/24	1,790	1,664,754
Continental Airlines Inc. Project, AMT, 6.63%, 9/15/12	500	503,830
New Jersey State Turnpike Authority, RB, Series E, 5.25%, 1/01/40	1,355	1,355,745
Tobacco Settlement Financing Corp. New Jersey,		

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Refunding RB, Series 1A, 4.50%, 6/01/23	800	673,952
		4,262,781
<b>New York — 5.2%</b>		
Albany Industrial Development Agency, RB, New Covenant		
Charter School Project, Series A, 7.00%, 5/01/35 (d)(e)	315	78,760
Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40	385	377,065
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (h)	3,000	3,030,030
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	385	385,362
Port Authority of New York & New Jersey, RB, JFK International Air Terminal: 6.00%, 12/01/36	410	395,699
6.00%, 12/01/42	395	377,462
		4,644,378
<b>North Carolina — 0.5%</b>		
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42	440	418,686
<b>Ohio — 1.9%</b>		
County of Montgomery Ohio, Refunding RB, Catholic Healthcare, Series A, 5.00%, 5/01/39	885	820,961
State of Ohio, RB, Ford Motor Co. Project, AMT, 5.75%, 4/01/35	1,000	920,770
		1,741,731
<b>Oklahoma — 1.4%</b>		
Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (h)	1,225	1,258,859
<b>Pennsylvania — 6.9%</b>		
Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40	1,000	743,210
Pennsylvania Economic Development Financing Authority, RB: Amtrak Project, Series A, AMT, 6.50%, 11/01/16	1,000	1,012,460
Amtrak Project, Series A, AMT, 6.13%, 11/01/21	700	706,601
Amtrak Project, Series A, AMT, 6.25%, 11/01/31	1,000	1,002,400
Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40	600	589,980
Pennsylvania Turnpike Commission, RB, Sub-Series B,		

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5.25%, 6/01/39	2,175	2,082,584
		6,137,235
<b>Puerto Rico — 3.1%</b>		
Commonwealth of Puerto Rico, GO, Refunding, Public		
Improvement, Series C, 6.00%, 7/01/39	910	890,544
Puerto Rico Sales Tax Financing Corp., RB, First		
Sub-Series A, 6.50%, 8/01/44	1,770	1,846,641
		2,737,185

See Notes to Financial Statements.

**BlackRock Strategic Municipal Trust (BSD)**  
**Schedule of Investments (continued)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>South Carolina — 4.3%</b>		
South Carolina Jobs-EDA, Refunding RB, Palmetto Health, Series C (b):		
7.00%, 8/01/13	\$ 2,225	\$ 2,521,793
7.00%, 8/01/13	275	312,944
South Carolina State Ports Authority, RB, 5.25%, 7/01/40	1,040	1,026,158
		3,860,895
<b>Texas — 17.1%</b>		
Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30	730	314,221
Brazos River Authority, Refunding RB, TXU Electric Co. Project, Series C, Mandatory Put Bonds, AMT, 5.75%, 5/01/36 (h)	500	489,680
City of Dallas Texas, Refunding RB, 5.00%, 10/01/35	475	492,319
City of Houston Texas, RB, Senior Lien, Series A, 5.50%, 7/01/39	485	491,261
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35	2,730	2,990,251
Harris County-Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series A (NPFGC), 6.18%, 11/15/38 (a)	4,750	443,080
La Joya ISD Texas, GO (PSF-GTD), 5.00%, 2/15/34	4,060	4,100,803
La Vernia Higher Education Finance Corp., RB, KIPP Inc., 6.38%, 8/15/44	500	491,465
North Texas Tollway Authority, RB: CAB, Special Projects System, Series B, 7.55%, 9/01/37 (a)	640	104,672
Toll, Second Tier, Series F, 6.13%, 1/01/31	1,025	1,047,181
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,270	1,293,393
Texas Private Activity Bond Surface Transportation Corp., RB: Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	1,355	1,380,583
Senior Lien, NTE Mobility Partners LLC, North Tarrant		

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Express Managed Lanes Project, 6.88%, 12/31/39	1,220	1,251,598
Texas State Public Finance Authority, Refunding ERB, KIPP Inc., Series A (ACA), 5.00%, 2/15/36	500	410,840
		15,301,347
<b>Utah — 1.2%</b>		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	1,150	1,065,567
<b>Virginia — 4.1%</b>		
City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31	355	334,974
University of Virginia, Refunding RB, General, 5.00%, 6/01/40	2,500	2,558,300
Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31	750	750,263
		3,643,537
<b>Washington — 0.7%</b>		
Washington Health Care Facilities Authority, RB, Swedish Health Services, Series A, 6.75%, 11/15/41	630	653,209
<b>Wisconsin — 2.3%</b>		
Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Credit Group, Series A, 5.00%, 11/15/31	2,165	2,055,667
<b>Wyoming — 1.2%</b>		
County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26	975	1,016,242
Wyoming Municipal Power Agency, RB, Series A, 5.00%, 1/01/42	95	92,096
		1,108,338
<b>Total Municipal Bonds — 133.7%</b>		<b>119,669,902</b>

### Municipal Bonds Transferred to Tender Option Bond Trusts (i)

#### Alabama — 0.8%

Alabama Special Care Facilities Financing Authority-  
Birmingham, Refunding RB, Ascension Health Senior  
Credit, Series C-2, 5.00%, 11/15/36

Par (000)	Value
\$ 760	\$ 732,082

#### California — 2.4%

California Educational Facilities Authority, RB, University  
of Southern California, Series B, 5.25%, 10/01/39  
Los Angeles Community College District California, GO,

855	877,145
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Election of 2001, Series A (AGM), 5.00%, 8/01/32	740	734,198
San Diego Community College District California, GO,		
Election of 2002, 5.25%, 8/01/33	553	562,589
		2,173,932

**Colorado — 2.1%**

Colorado Health Facilities Authority, RB, Catholic Health,

Series (AGM):

C-3, 5.10%, 10/01/41

1,210

**4.3.3 Environmental.** (a) Except as set forth in the Disclosure Memorandum:

(i) SBI has not caused or permitted the generation, manufacture, use, or handling or the release or presence of, any Hazardous Material (as defined below) on, in, under or from any properties or facilities currently owned or leased by SBI or adjacent to any properties so owned or leased;

(ii) to the knowledge of SBI, no claim has been asserted or threatened against SBI arising from or relating to the environmental condition of any property or the generation, manufacture, use, or handling or the release or presence of, any Hazardous Material at any property;

(iii) SBI has complied in all material respects with, and has kept all records and made all filings or reports required by, and is otherwise in compliance with all applicable federal, state and local laws, regulations, orders, permits and licenses relating to the generation, treatment, manufacture, use, handling, release or presence of any Hazardous Material on, in, under or from any properties or facilities currently owned or leased by SBI; and

(iv) to the knowledge of SBI, the improvements on the property are free from the presence or growth of mold, fungi, spores or bacteria that could be reasonably expected to cause property damage or personal injury, and the improvements on the property are, and have been, free of conditions that could lead to the growth or presence of mold, fungi, spores or bacteria, including, without limitation, air conditioner malfunction, water intrusion, water leaks, sewage backflows and construction defects.

(b) Neither SBI nor any of its officers, directors, employees or agents, in the course of such individual's employment by SBI, has given advice with respect to, or participated in any respect in, the management or operation of any entity or concern regarding the generation, storage, handling, disposal, transfer, production, use or processing of Hazardous Material.

(c) To the knowledge of SBI, except as set forth in the SBI Disclosure Memorandum, SBI has not foreclosed on any property on which there is a threatened release of any Hazardous Material or on which there has been a release and a full remediation has not been completed as required by environmental laws.

(d) Except as set forth in the Disclosure Memorandum, neither SBI nor any of its executive officers or directors is aware of, has been told of, or has observed, the presence of any Hazardous Material on, in, under, or around property on which SBI holds a legal or security interest, in violation of, or creating a liability under, federal, state, or local environmental statutes, regulations, or ordinances.



(e) The term “**Hazardous Material**” means any substance whose nature, use, manufacture, or effect render it subject to federal, state or local regulation governing that material’s investigation, remediation or removal as a threat or potential threat to human health or the environment and includes, without limitation, any substance within the meaning of “*hazardous substances*” under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, “*hazardous wastes*” within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. § 6921, any petroleum product, including any fraction of petroleum, or any friable asbestos containing materials. However, the term “**Hazardous Material**” shall not include those substances which are normally and reasonably used in connection with the occupancy or operation of office buildings (such as cleaning fluids, and supplies normally used in the day to day operation of business offices) in quantities reasonable in relation to such use and in compliance with applicable law or such that may be naturally occurring in any ambient air, surface water, ground water, land surface or subsurface strata.

(f) The representations and warranties in this Section 4.3.3 are the sole representations and warranties with respect to environmental, health and safety matters, and no other representations and warranties shall be deemed to apply to such matters.

**4.3.4 Insurance.** The Disclosure Memorandum contains a complete list and description (including the expiration date, premium amount and coverage thereunder) of all policies of insurance and bonds presently maintained by, or providing coverage for, SBI or through SBI for any of its officers, directors and employees, all of which are, and will be maintained through the Closing Date, in full force and effect, together with a complete list of all pending claims under any of such policies or bonds. All material terms, obligations and provisions of each of such policies and bonds have been complied with, all premiums due thereon have been paid, and no notice of cancellation with respect thereto has been received. Except as set forth in the Disclosure Memorandum, such policies and bonds provide coverage to insure the properties and businesses of SBI and the activities of its officers, directors and employees against such risks and in such amounts as are customary. SBI will not as of the Closing Date have any liability for premiums or for retrospective premium adjustments for any period prior to the Closing Date. SBI has heretofore made, or will hereafter make, available to United a true, correct and complete copy of each insurance policy and bond in effect since January 1, 2001 with respect to the business and affairs of SBI.

#### **4.4 Properties and Assets.**

**4.4.1 Contracts and Commitments.** The Disclosure Memorandum contains a list identifying and briefly describing all written contracts, purchase orders, agreements, security deeds, guaranties or commitments (other than loans, loan commitments and deposits made by or with SBI in the ordinary course of business), to which SBI is a party or by which it may be bound involving the payment or receipt, actual or contingent, of more than \$25,000 or having a term or requiring performance over a period of more than ninety (90) days. Each such contract, agreement, guaranty and commitment of SBI is in full force and effect and is valid and enforceable in accordance with its terms, and constitutes a

legal and binding obligation of the respective parties thereto and is not the subject of any notice of default, termination, partial termination or of any ongoing, pending, completed or threatened investigation, inquiry or other proceeding or action that may give rise to any notice of default, termination or partial termination. SBI has complied with the provisions of such contracts, agreements, guaranties and commitments. A true and complete copy of each such document has been or will be made available to United for examination.

**4.4.2 Licenses; Intellectual Property.** SBI has all patents, trademarks, trade names, service marks, copyrights, trade secrets and know-how reasonably necessary to conduct its business as presently conducted and, except as described in the Disclosure Memorandum, SBI is not a party, either as licensor or licensee, to any agreement for any patent, process, trademark, service mark, trade name, copyright, trade secret or other confidential information and there are no rights of third parties with respect to any trademark, service mark, trade secrets, confidential information, trade name, patent, patent application, copyright, invention, device or process owned or used by SBI or presently expected to be used by it in the future. All patents, copyrights, trademarks, service marks, trade names, and applications therefor or registrations thereof, owned or used by SBI, are listed in the Disclosure Memorandum. SBI has complied with all applicable laws relating to the filing or registration of “*fictitious names*” or trade names.

**4.4.3 Personal Property.** SBI has good and marketable title to all of its personal property, tangible and intangible, reflected in the most recent SBI Financial Statements (except as since sold or otherwise disposed of by it in the ordinary course of business), free and clear of all encumbrances, liens or charges of any kind or character, except: (a) those referred to in the notes to the SBI Financial Statements as securing specified liabilities (with respect to which no default exists or, to the knowledge of SBI, is claimed to exist); (b) those described in the Disclosure Memorandum; and (c) liens for taxes not due and payable.

**4.4.4 SBI Leases.** (a) All leases (the “*SBI Leases*”) pursuant to which SBI is lessor or lessee of any real or personal property (such property, the “*Leased Property*”) are valid and enforceable in accordance with their terms; there is not under any of the SBI Leases, to the knowledge of SBI, any default or any claimed default by SBI, or event of default or event which with notice or lapse of time, or both, would constitute a default by SBI and in respect of which adequate steps have not been taken to prevent a default on its part from occurring.

(b) The copies of the SBI Leases heretofore or hereafter furnished or made available by SBI to United are true, correct and complete, and the SBI Leases have not been modified in any respect other than pursuant to amendments, copies of which have been concurrently delivered or made available to United, and are in full force and effect in accordance with their terms.

(c) Except as set forth in the Disclosure Memorandum, there are no contractual obligations, agreements in principle or present plans for SBI to enter into new leases of real property or to renew or amend existing SBI Leases prior to the Closing Date.

**4.4.5 Real Property.** (a) SBI does not own any interest in any real property (other than as lessee) except as set forth in the Disclosure Memorandum (such properties being referred to herein as “*SBI Realty*”). Except as disclosed in the Disclosure Memorandum, SBI has good title to the SBI Realty and the titles to the SBI Realty are

covered by title insurance policies providing coverage in the amount of the original purchase price, true, correct and complete copies of which have been or will be furnished to United with the Disclosure Memorandum. SBI has not encumbered the SBI Realty since the effective dates of the respective title insurance policies.

(b) Except as set forth in the Disclosure Memorandum, the interests of SBI in the SBI Realty and in and under each of the SBI Leases are free and clear of any and all liens and encumbrances and are subject to no present claim, contest, dispute, action or, to the knowledge of SBI, threatened action at law or in equity.

(c) The present and past use and operations of, and improvements upon, the SBI Realty and all real properties included in the Leased Properties (the “***SBI Leased Real Properties***”) are in compliance with all applicable building, fire, zoning and other applicable laws, ordinances and regulations and with all deed restrictions of record, no notice of any violation or alleged violation thereof has been received, and there are no proposed changes therein that would affect the SBI Realty, the SBI Leased Real Properties or their uses.

(d) Except as set forth in the Disclosure Memorandum, no rent has been paid in advance and no security deposit has been paid by, nor is any brokerage commission payable by or to, SBI with respect to any Lease pursuant to which it is lessor or lessee.

(e) SBI is not aware of any proposed or pending change in the zoning of, or of any proposed or pending condemnation proceeding with respect to, any of the SBI Realty or the SBI Leased Real Properties which may adversely affect the SBI Realty or the SBI Leased Real Properties or the current or currently contemplated use thereof.

(f) The buildings and structures owned, leased or used by SBI are, taken as a whole, in good operating order (except for ordinary wear and tear), usable in the ordinary course of business, and are sufficient and adequate to carry on the business and affairs of SBI.

#### **4.5 Employees and Benefits.**

**4.5.1 Directors or Officers of Other Corporations.** Except as set forth in the Disclosure Memorandum, no director, officer, or employee of SBI serves, or in the past five (5) years has served, as a director or officer of any other corporation on behalf of or as a designee of SBI.

**4.5.2 Employee Benefits.** (a) Except as set forth in the Disclosure Memorandum, (i) SBI does not provide and is not obligated to provide, directly or indirectly, any benefits for employees, including, without limitation, any pension, profit sharing, stock option, retirement, bonus, hospitalization, medical, insurance, vacation or other employee benefits under any practice, agreement or understanding, and (ii) SBI does not have any employment, severance, change in control or similar agreements with any of its employees.

(b) The Disclosure Memorandum lists separately any employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“*ERISA*”), sponsored, maintained or contributed to by SBI (collectively, “*ERISA Plans*”). True, correct and complete copies of all ERISA Plans and, to the extent applicable, all related trust agreements, insurance contracts, summary plan descriptions, Internal Revenue Service determination letters and filings, the past three (3) years of actuarial reports and valuations, annual reports and Form 5500 filings (including attachments), and any other related documents requested by United or its counsel have been, or prior to the Closing Date will be, made available to United.

(c) SBI is not currently and has never been in the past required to contribute to a multiemployer plan as defined in Section 3(37)(A) of ERISA. SBI does not maintain or contribute to, nor within the past six (6) years has it maintained or contributed to, an employee pension benefit plan as defined in Section 3(2) of ERISA that is or was subject to Title IV of ERISA.

(d) Each ERISA Plan has been operated and administered in accordance with, and has been amended to comply in all material respects with (unless such amendment is not yet required), all applicable laws, rules and regulations, including, without limitation, ERISA, the Code, and the regulations issued under ERISA and the Code. With respect to each ERISA Plan, other than routine claims for benefits submitted in the ordinary course of the benefits process, no litigation or administrative or other proceeding is pending or, to the knowledge of SBI, threatened involving such ERISA Plan or any of its fiduciaries. With respect to each ERISA Plan, neither SBI nor any of its directors, officers, employees or agents, nor any “*party in interest*” or “*disqualified person*” (as such terms are defined in Section 3(14) of ERISA and Section 4975 of the Code) has been engaged in or been a party to any transaction relating to the ERISA Plan which would constitute a breach of fiduciary duty under ERISA or a “*prohibited transaction*” (as such term is defined in Section 406 of ERISA or Section 4975 of the Code), unless such transaction is specifically permitted under Sections 407 or 408 of ERISA, Section 4975 of the Code or a class or administrative exemption issued by the Department of Labor. Each ERISA Plan that is a group health plan within the meaning of Section 607(1) of ERISA and Section 4980B of the Code is in material compliance with the continuation coverage requirements of Section 501 of ERISA and Section 4980B of the Code.

(e) Of the ERISA Plans, only the SBI ESOP is an “*employee pension benefit plan*” within the meaning of Section 3(2) of ERISA. With respect to the SBI ESOP, except as set forth on the Disclosure Memorandum: (i) the SBI ESOP constitutes a qualified plan within the meaning of Section 401(a) of the Code and the trust is exempt from federal income tax under Section 501(a) of the Code; (ii) the SBI ESOP has been maintained and operated in compliance in all material respects with all applicable provisions of Sections 409 and 4975 of the Code and the regulations and rulings thereunder, including the provisions relating to employee stock ownership plans maintained by S corporations as defined in Section 1361(a)(1) of the Code; (iii) all contributions required by such plan have been made or will be made on a timely basis; and (iv) no termination, partial termination or discontinuance of contributions has occurred without a determination by the IRS that such action does not affect the tax-qualified status of such plan.

(f) As of the Closing Date, with respect to each ERISA Plan, SBI will have provided adequate reserves, or insurance or qualified trust funds, to provide for all payments and contributions required, or reasonably expected to be required, to be made under the provisions of such ERISA Plan or required to be made under applicable laws, rules and regulations, with respect to any period prior to the Closing Date to the extent reserves are required under GAAP, based on an actuarial valuation satisfactory to the actuaries of SBI representing a projection of claims expected to be incurred under such ERISA Plan.

(g) Except as disclosed on the Disclosure Memorandum, SBI does not provide and has no obligation to provide benefits, including, without limitation, death, health or medical benefits (whether or not insured) with respect to current or former employees of SBI beyond their retirement or other termination of service with SBI other than: (i) coverage mandated by applicable Law; (ii) benefits under the Employee Pension Benefit Plans; or (iii) benefits the full cost of which is borne by the current or former employee or his beneficiary.

(h) Except as set forth in the Disclosure Memorandum, neither this Agreement nor any transaction contemplated hereby will: (i) entitle any current or former employee, officer or director of SBI to severance pay, unemployment compensation or any similar or other payment or (ii) accelerate the time of payment or vesting of, or increase the amount of compensation or benefits due any such employee, officer or director.

**4.5.3 Labor-Related Matters.** Except as described in the Disclosure Memorandum, SBI is not, and has not been, a party to any collective bargaining agreement or agreement of any kind with any union or labor organization or to any agreement with any of its employees which is not terminable at will or upon ninety (90) days notice at the election of, and without cost or penalty to, SBI. SBI has not received at any time in the past five (5) years, any demand for recognition from any union, and no attempt has been made, or will have been made as of the Closing Date, to organize any of its employees. SBI has complied in all material respects with all obligations under the National Labor Relations Act, as amended, the Age Discrimination in Employment Act, as amended, and all other federal, state and local labor laws and regulations applicable to employees. Except as described in the Disclosure Memorandum, there are no unfair labor practice charges pending or threatened against SBI, and there are, and in the past three (3) years there have been, no charges, complaints, claims or proceedings, no slowdowns or strikes pending or threatened against, or involving, as the case may be, SBI with respect to any alleged violation of any legal duty (including but not limited to any wage and hour claims, employment discrimination claims or claims arising out of any employment relationship) by SBI as to any of its employees or as to any person seeking employment therefrom, and no such violations exist.

**4.5.4 Related Party Transactions.** Except for: (a) loans and extensions of credit made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions by SBI with other persons who are not affiliated with SBI, and which do not involve more than the normal risk of repayment or present other unfavorable features; (b) deposits, all of which are on terms and conditions identical to those made available to all customers of SBI at the time such deposits were entered into; and (c) transactions specifically described in the Disclosure Memorandum, there are no contracts with or commitments to present or former five percent (5%) or greater

shareholders, directors, officers, or employees involving the expenditure of more than \$60,000 as to any one individual, including with respect to any business directly or indirectly controlled by any such person, or \$100,000 for all such contracts or commitments in the aggregate for all such individuals (other than contracts or commitments relating to services to be performed by any officer, director or employee as a currently-employed employee of SBI).

#### **4.6 Other Matters.**

**4.6.1 Approvals, Consents and Filings.** Except for the Federal Reserve, the Federal Deposit Insurance Corporation (the “*FDIC*”) and the Georgia Department, the notice filing to be made with the OCC, or as set forth in the Disclosure Memorandum, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby or thereby will: (a) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority; or (b) violate any order, writ, injunction, decree, statute, rule or regulation applicable to SBI, or any of SBI’s assets.

**4.6.2 Default.** (a) Except for those consents described in or set forth pursuant to Section 4.6.1 above and as described in the Disclosure Memorandum, neither the execution of this Agreement nor consummation of the transactions contemplated herein:

(i) constitutes a breach of or default under any contract or commitment to which SBI is a party or by which any of SBI’s properties or assets are bound;

(ii) does or will result in the creation or imposition of any security interest, lien, encumbrance, charge, equity or restriction of any nature whatsoever in favor of any third party upon any assets of SBI; or

(iii) constitutes an event permitting termination of any agreement or the acceleration of any indebtedness of SBI.

(b) SBI is not in violation of its charter documents or bylaws or in default under any term or provision of any material security deed, mortgage, indenture or security agreement, or of any other material contract or instrument to which SBI is a party or by which it or any of its material properties is bound.

**4.6.3 Representations and Warranties.** No representation or warranty contained in this Article IV or in any written statement delivered by or at the direction of SBI pursuant hereto or in connection with the transactions contemplated hereby contains or will contain any untrue statement, nor will such representations and warranties taken as a whole omit any statement necessary in order to make any statement not misleading. Copies of all documents that have been or will be furnished to United in connection with this Agreement or pursuant hereto are or shall be true, correct and complete.

## ARTICLE V

### **CONDUCT OF BUSINESS OF SBI PENDING CLOSING**

Except as expressly otherwise provided herein or in the Disclosure Memorandum, SBI covenants and agrees that, without the prior written consent of United between the date hereof and the Closing Date:

- 5.1 Conduct of Business.** SBI will conduct its business only in the ordinary course, without the creation of any indebtedness for borrowed money (other than deposit and similar accounts and customary credit arrangements between banks in the ordinary course of business).
- 5.2 Maintenance of Properties.** SBI will maintain its properties and assets in good operating condition, ordinary wear and tear excepted.
- 5.3 Insurance.** SBI will maintain and keep in full force and effect all of the insurance referred to in Section 4.3.4 hereof or other insurance equivalent thereto.
- 5.4 Capital Structure.** Except for the exercise of currently outstanding SBI Stock Options and SBI Warrants, no change will be made in the authorized or issued capital stock or other securities of SBI, and SBI will not issue or grant any right or option to purchase or otherwise acquire any of the capital stock or other securities of SBI. This Section 5.4 prohibits, without limitation, the issuance or sale by SBI of any SBI Stock to the SBI ESOP.
- 5.5 Dividends.** No dividend, distribution or payment will be declared or made in respect to the SBI Stock and SBI will not, directly or indirectly, redeem, purchase or otherwise acquire any of its capital stock.
- 5.6 Amendment of Articles of Incorporation or Bylaws; Corporate Existence.** SBI will not amend its articles of incorporation or bylaws, and SBI will maintain its corporate existence and powers.
- 5.7 No Acquisitions.** SBI shall not, without the express written consent of United, acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other entity or division thereof or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to SBI.
- 5.8 No Real Estate Acquisitions or Dispositions.** SBI will not sell, mortgage, lease, buy or otherwise acquire, transfer or dispose of any real property or interest therein (except for sales in the ordinary course of business) and SBI will not, except in the ordinary course of business, sell or transfer, mortgage, pledge or subject to any lien, charge or other encumbrance any other tangible or intangible asset.
- 5.9 Banking Arrangements.** No change will be made in the banking and safe deposit arrangements referred to in Section 4.2.8 hereof.

**5.10 Contracts.** SBI will not, without the express written consent of United, enter into any, renew or cancel or terminate any contract of the kind described in Section 4.4.1 hereof.

**5.11 Books and Records.** The books and records of SBI will be maintained in the usual, regular and ordinary course.

**5.12 Advice of Changes.** SBI shall promptly advise United orally and in writing of any change or event having, or which could reasonably be expected to have, a material adverse effect on the assets, liabilities, business, operations or financial condition of SBI.

**5.13 Reports.** SBI shall file all reports required to be filed with any regulatory or governmental agencies between the date of this Agreement and the Closing Date and shall deliver to United copies of all such reports promptly after the same are filed.

**5.14 Benefit Plans and Programs; Severance or Termination Payments.** SBI shall not adopt any new benefit plans or programs or amend any existing benefit plans or programs, the effect of which is to increase benefits to employees or the liabilities of the SBI or its successors.

**5.15 Loan Participations.** SBI shall not enter into any loan participations or syndications.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF UNITED

As an inducement to SBI to enter into this Agreement and to consummate the transactions contemplated hereby, United represents, warrants, covenants and agrees as follows:

**6.1 Corporate Status.** United is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia. United is entitled to own or lease its properties and to carry on its business in the places where such properties are now owned, leased or operated and such business is now conducted.

**6.2 Authority.** Subject to the required regulatory approvals and notice filing, as stated in Section 4.6.1, and the approval of SBI shareholders, the execution, delivery and performance of this Agreement and the other transactions contemplated or required in connection herewith will not, with or without the giving of notice or the passage of time, or both:

(a) violate any provision of federal or state law applicable to United, the violation of which could be reasonably expected to have an adverse effect on the business, operations, properties, assets, financial condition or prospects of United;

(b) violate any provision of the articles of incorporation or bylaws of United;

(c) conflict with or result in a breach of any provision of, or termination of, or constitute a default under any instrument, license, agreement, or commitment to which United is a party, which, singly or in the aggregate, could reasonably be expected to have an adverse effect on the business, operations, properties, assets, financial condition or prospects of United; or



(d) constitute a violation of any order, judgment or decree to which United is a party, or by which United or any of its assets or properties are bound.

Assuming this Agreement constitutes the valid and binding obligation of SBI, this Agreement constitutes the valid and binding obligation of United, and is enforceable in accordance with its terms, except as limited by laws affecting creditors' rights generally and by the discretion of courts to compel specific performance.

**6.3 Capital Structure.** (a) As of the date of this Agreement, United has authorized capital stock consisting solely of 100,000,000 shares of common stock, par value \$1.00 per share, of which 40,245,123 shares are issued and outstanding as of the date hereof, exclusive of 372,000 shares reserved for issuance upon conversion of United's prime plus one-quarter percent ( $\frac{1}{4}\%$ ) Convertible Subordinated Debentures due December 31, 2006 (the "**2006 Debentures**"), 22671 shares issuable to participants in United's Deferred Compensation Plan and 2,657,515 shares reserved for issuance upon the exercise of outstanding options and vesting of restricted stock (the "**United Stock Options and Awards**") and 10,000,000 shares of preferred stock, par value \$1.00 per share (the "**Preferred Stock**"), of which 32,200 shares are issued and outstanding as of the date hereof. All of the issued and outstanding shares of United Stock are duly and validly issued, fully paid and nonassessable and were offered, issued and sold in compliance with all applicable federal or state securities laws. No person has any right of rescission or claim for damages under federal or state securities laws with respect to the issuance of shares of United Stock previously issued. None of the shares of United Stock have been issued in violation of the preemptive or other rights of its shareholders.

(b) Except for the 2006 Debentures and the United Stock Options and Awards, United does not have outstanding any securities which are either by their terms or by contract convertible or exchangeable into United Stock or Preferred Stock, or any other securities or debt, of United, or any preemptive or similar rights to subscribe for or to purchase, or any options or warrants or agreements or understandings for the purchase or the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock or securities convertible into its capital stock. United is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register, any shares of its capital stock.

(c) There is no material agreement, arrangement or understanding to which United is a party restricting or otherwise relating to the transfer of any shares of United Stock other than restrictions required by applicable federal and state securities laws.

(d) All shares of common stock or other capital stock, or any other securities or debt, of United, which have been purchased or redeemed by United have been purchased or redeemed in accordance with all applicable federal, state and local laws, rules, and regulations, including, without limitation, all federal and state securities laws and rules and regulations of any securities exchange or system on which such stock, securities or debt are, or at such time were, traded, and no such purchase or redemption has resulted or will, with the giving of notice or lapse of time, or both, result in a default or acceleration of the maturity of, or otherwise modify, any agreement, note, mortgage, bond, security agreement, loan agreement or other contract or commitment of United.

**6.4 Disclosure Reports.** United has a class of securities registered pursuant to Section 12(g) of the 1934 Act. United's (a) Annual Report on Form 10-K for its fiscal year ended December 31, 2005; (b) Proxy Statement for its 2006 Annual Meeting of Shareholders; (c) Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and (d) other reports filed by United pursuant to Sections 13(a) or 15(d) of the Exchange Act since December 31, 2005 (collectively, the "***United SEC Reports***"), taken together, correctly describe, among other things, the business, operations and principal properties of United in accordance with the requirements of the applicable report forms of the SEC. As of the respective dates of filing (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such amended or superceded filing), none of the United SEC Reports contained any untrue statement of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**6.5 No Adverse Change.** Since the date of its latest published financial statements included in the United SEC Reports, there has not been any change in the condition of United or other changes in the operations of United which, in any case, have had, or are reasonably likely to have, an adverse effect on United on a consolidated basis taken as a whole.

**6.6 Representations and Warranties.** No representation or warranty contained in this Article VI or in any written statement delivered by or at the direction of United pursuant hereto or in connection with the transactions contemplated hereby contains or will contain any untrue statement, nor will such representations and warranties taken as a whole omit any statement necessary in order to make any statement not misleading. Copies of all documents that have been or will be furnished to SBI in connection with this Agreement or pursuant hereto are or shall be true, correct and complete.

**6.7 Proxy Materials.** Neither the SBI Proxy Materials nor other materials furnished by United to the SBI shareholders in connection with the transactions contemplated by this Agreement or the Merger Agreement, or in any amendments thereof or supplements thereto, will, at the times such documents are distributed to the holders of shares of SBI Stock and through the acquisition of shares of United Stock by SBI pursuant to the Merger, contain with respect to United any untrue statement of a material fact or omit to state any information required to be stated therein or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

## ARTICLE VII

### CONDITIONS TO OBLIGATIONS OF UNITED

All of the obligations of United under this Agreement are subject to the fulfillment prior to or at the Closing Date of each of the following conditions, any one or more of which may be waived by United:

**7.1 Veracity of Representations and Warranties.** The representations and warranties of SBI contained herein or in any certificate, schedule or other document delivered pursuant to the provisions hereof, or in connection herewith, shall be true as of the date when made and shall be deemed to be made again at and as of the Closing Date and shall be true at and as of such time, except as a result of changes or events expressly permitted or contemplated herein or where the failure to be so, either individually or in the aggregate, is not reasonably likely to have a material adverse effect on the business, operations or financial condition of SBI on a consolidated basis.

**7.2 Performance of Agreements.** SBI shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

**7.3 Compliance by SBI Executive Officers and Directors.** The directors and executive officers of SBI shall have complied in full with the requirements of Section 3.10 hereof.

**7.4 Exercise of Warrants.** All SBI Warrants shall have been exercised at least fifteen (15) days prior to the Closing Date.

**7.5 Certificates, Resolutions, Opinion.** SBI shall have delivered to United:

(a) a certificate executed by the Chief Executive Officer or President of SBI, dated as of the Closing Date, and certifying in such detail as United may reasonably request to the fulfillment of the conditions specified in Sections 7.1 and 7.2 hereof;

(b) a certificate executed by the Secretary of SBI, dated as of the Closing Date, certifying and attesting to the: (i) articles of incorporation of SBI; (ii) bylaws of SBI; and (iii) duly adopted resolutions of the Board of Directors and shareholders of SBI (1) authorizing and approving the execution of this Agreement and the Merger Agreement and the consummation of the transactions contemplated herein and therein in accordance with their respective terms, and (2) authorizing all other necessary and proper corporate action to enable SBI to comply with the terms hereof and thereof;

(c) certificates executed by the Secretary or equivalent officer of the Bank, dated as of the Closing Date, certifying and attesting to the: (i) charter of the bank; (ii) bylaws of the bank; and (iii) duly adopted resolutions of the Board of Directors and sole shareholder of the bank (1) authorizing and approving the execution of the Bank Merger Agreement and the consummation of the transactions contemplated herein and therein, and (2) authorizing all other necessary and proper corporate action to enable the bank to comply with the terms hereof and thereof.

(d) certificates of the valid existence of SBI and the Bank under the laws of Georgia and of the United States, respectively, executed by the Secretary of State of Georgia and the OCC, and dated not more than ten (10) business days prior to the Closing Date;

(e) certificates from the appropriate public officials of the State of Georgia, dated not more than ten (10) business days prior to the Closing Date, certifying that SBI has filed all corporate tax returns required by the laws of such state and has paid all taxes shown thereon to be due; and

(f) an opinion of Powell Goldstein LLP, counsel for SBI, dated the Closing Date, in the form attached hereto as Exhibit D.

**7.6 Accountants' Letter.** United shall have received a letter from Mauldin & Jenkins Certified Public Accountants, LLC, dated the Closing Date, to the effect that: At the request of SBI they have carried out procedures to a specified date not more than five (5) business days prior to the Closing Date, which procedures did not constitute an examination in accordance with generally accepted auditing standards, of the financial statements of SBI, as follows:

(a) read the unaudited consolidated balance sheets, consolidated statements of earnings, consolidated statements of cash flows, consolidated statements of comprehensive income and consolidated statements of changes in shareholders' equity, of SBI from December 31, 2005 through the date of the most recent monthly financial statements available in the ordinary course of business;

(b) read the minutes of the meetings of shareholders and Board of Directors of SBI from December 31, 2005 to said date not more than five (5) business days prior to the Closing Date; and

(c) consulted with certain officers and employees of SBI responsible for financial and accounting matters and, based on such procedures, nothing has come to their attention which would cause them to believe that:

(i) such unaudited financial statements are not fairly presented in conformity with GAAP;

(ii) as of said date not more than five (5) business days prior to the Closing Date, the shareholders' equity, long-term debt, reserve for possible loan losses and total assets of SBI, in each case as compared with the amounts shown in the December 31, 2005 SBI Financial Statements, are not different except as set forth in such letter, or

(iii) for the period from December 31, 2005 to said date not more than five (5) business days prior to the Closing Date, the net interest income, total and per-share amounts of consolidated income and net income of SBI, as compared with the corresponding portion of the preceding twelve (12) month period, are not different except as set forth in such letter.

**7.7 Sale of Listed OREO.** SBI shall have sold all Listed OREO.

## ARTICLE VIII

### CONDITIONS TO OBLIGATIONS OF SBI

All of the obligations of SBI under this Agreement are subject to the fulfillment prior to or at the Closing Date of each of the following conditions, any one or more of which may be waived by it:

**8.1 Veracity of Representations and Warranties.** The representations and warranties of United contained herein or in any certificate, schedule or other document delivered pursuant to the provisions hereof, or in connection herewith, shall be true as of the date when made and shall be deemed to be made again at and as of the Closing Date and shall be true at and as of such time, except as a result of changes or events expressly permitted or contemplated herein or where the failure to be so, either individually or in the aggregate, is not reasonably likely to have a material adverse effect on the business, operations or financial condition of United on a consolidated basis.

**8.2 Performance of Agreements.** United shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.

**8.3 Certificates, Resolutions, Opinion.** United shall have delivered to SBI:

(a) a certificate executed by the President or an Executive Vice President of United, dated the Closing Date, certifying in such detail as SBI may reasonably request to the fulfillment of the conditions specified in Sections 8.1 and 8.2 hereof;

(b) a certificate executed by the Secretary or an Assistant Secretary of United, dated as of the Closing Date, certifying and attesting to the: (i) articles of incorporation of United; (ii) bylaws of United; and (iii) duly adopted resolutions of the board of directors of United (1) authorizing and approving the execution of this Agreement and the Merger Agreement on behalf of United, and the consummation of the transactions contemplated herein and therein in accordance with their respective terms, and (2) authorizing all other necessary and proper corporate actions to enable United to comply with the terms hereof and thereof;

(c) a certificate of the valid existence of United, under the laws of the State of Georgia executed by the Secretary of State of the State of Georgia, dated not more than five (5) business days prior to the Closing Date;

(d) an opinion of Kilpatrick Stockton LLP, counsel for United, dated the Closing Date, in the form attached hereto as Exhibit E; and

(e) certificates from the appropriate public officials of the State of Georgia, dated not more than five (5) business days prior to the Closing Date, certifying that United has filed all corporate tax returns required by the laws of such state and has paid all taxes shown thereon to be due.

**8.4 Tax Opinion.** SBI shall have received from Kilpatrick Stockton LLP its opinion, in form and substance reasonably satisfactory to SBI, to the effect that:

(a) The Merger and the issuance of shares of United Stock in connection therewith, as described herein and in the Merger Agreement, will constitute a tax-free reorganization under Section 368(a)(1)(A) of the Code;

(b) No gain or loss will be recognized by holders of SBI Stock upon the exchange of such stock for United Stock as a result of the Merger;

(c) Gain or loss will be recognized by holders of SBI Stock upon their receipt of cash, including cash (i) in lieu of fractional shares of United Stock, and (ii) upon their exercise of dissenters' rights;

(d) No gain or loss will be recognized by SBI as a result of the Merger or the Bank Merger;

(e) The aggregate tax basis of United Stock received by shareholders of SBI pursuant to the Merger will be the same as the tax basis of the shares of SBI Stock exchanged therefor (i) decreased by any portion of such tax basis allocated to fractional shares of United Stock that are treated as redeemed by United, (ii) decreased by the amount of cash received by a SBI shareholder in the Merger (other than cash received with respect to fractional shares), and (iii) increased by the amount of gain recognized by a SBI shareholder in the Merger (other than gain recognized with respect to fractional shares); and

(f) The holding period of the shares of United Stock received by the shareholders of SBI will include the holding period of the shares of SBI Stock exchanged therefor, provided that the stock of SBI is held as a capital asset on the date of the consummation of the Merger.

## ARTICLE IX

### CONDITIONS TO OBLIGATIONS OF BOTH PARTIES

**9.1 Shareholder Approval.** The Merger Agreement shall have been approved by the vote of the holders of at least a majority of the issued and outstanding shares of SBI Stock.

**9.2 Regulatory Approvals.** Any and all governmental authorities, bodies or agencies having jurisdiction over the transactions contemplated by this Agreement, the Merger Agreement and the Bank Merger Agreement, including, but not limited to the Federal Reserve, the FDIC and the Georgia Department shall have granted such consents, authorizations and approvals as are necessary for the consummation hereof and thereof, and all applicable waiting or similar periods required by law shall have expired.

**9.3 Effective Registration Statement.** The United Registration Statement shall have been declared effective by the SEC and no stop order shall have been entered with respect thereto.

**9.4 Certificate of Merger.** The Secretary of State of the State of Georgia shall have issued a certificate of merger, with respect to the Merger, in accordance with the provisions of the Georgia Business Corporation Code, and with respect to the Bank Merger, in accordance with the Financial Institution Code of Georgia and the National Bank Act.

**9.5 Termination Agreements.** Each of Steven Holcomb, Henley Vansant and Paul Kirtley shall have executed a change in control termination agreement in the form of Exhibit F attached hereto with total “Termination Payments” (as defined in the form) of \$1,101,600, \$280,956 and \$195,000, respectively.

**9.6 Stock Option Award Agreements.** Each of Steven Holcomb and Henley Vansant shall have executed a stock option award agreement in the form of Exhibit G attached hereto.

**9.7 Change in Control Agreements.** Each of Steven Holcomb and Henley Vansant shall have executed a change in control agreement in the form of Exhibit H attached hereto. The payment to Mr. Holcomb under Section 1(c) thereof shall be two (2) times the amount described therein and the term of the covenant in Section 3(c) shall be two (2) years. The payment to Mr. Vansant under Section 1(c) thereof shall be one (1) times the amount described therein and the term of the covenant in Section 3(c) shall be one (1) year.

**9.8 SBI Stock Options.** Each holder of an SBI Stock Option shall have executed an agreement in form and content satisfactory to United to exercise all of his or her SBI Stock Options effective as of the Closing Date.

## ARTICLE X

### WARRANTIES, NOTICES, ETC.

**10.1 Warranties.** All statements contained in any certificate or other instrument delivered by or on behalf of SBI or United pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties hereunder by them. Unless the context otherwise requires, the representations and warranties required of SBI shall be required to be made, and shall be considered made, on behalf of SBI and the Bank.

**10.2 Survival of Provisions.** All representations, warranties, covenants, and agreements made by either party hereto in or pursuant to this Agreement or in any instrument, exhibit, or certificate delivered pursuant hereto shall be deemed to have been material and to have been relied upon by the party to which made, but, except as set forth hereafter or specifically stated in this Agreement, such representations, warranties, covenants, and agreements shall expire and be of no further force and effect upon the consummation of the Merger; *provided, however*, that the following shall survive consummation of the Merger and the transactions contemplated hereby:

(a) the opinions of counsel referred to in Sections 7.3(f) and 8.3(d) of this Agreement;

(b) any intentional misrepresentation of any material fact made by either party hereto in or pursuant to this Agreement or in any instrument, document or certificate delivered pursuant hereto; and

(c) the covenant with respect to the confidentiality of certain information contained in Section 3.5 hereof.

**10.3 Notices.** All notices or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by pre-paid, first class certified or registered mail, return receipt requested, or by facsimile transmission, to the intended recipient thereof at its address or facsimile number set out below. Any such notice or communication shall be deemed to have been duly given immediately (if given or made in person or by facsimile confirmed by mailing a copy thereof to the recipient in accordance with this Section 10.3 on the date of such facsimile), or five (5) days after mailing (if given or made by mail), and in proving same it shall be sufficient to show that the envelope containing the same was delivered to the delivery service and duly addressed, or that receipt of a facsimile was confirmed by the recipient. Either party may change the address to which notices or other communications to such party shall be delivered or mailed by giving notice thereof to the other party hereto in the manner provided herein.

To SBI: Southern Bancorp, Inc.  
200 Cherokee Street  
Marietta, Georgia 30060  
Attention: Edward Mulkey and Steven Holcomb  
Facsimile: (770) 424-2000

W i t h Powell Goldstein LLP  
copies to: One Atlantic Center - Fourteenth Floor  
1201 West Peachtree Street, NW  
Atlanta, Georgia 30309  
Attention: Walt Moeling and Kathryn Knudson  
Facsimile: (404) 572-6999

To United: United Community Banks, Inc.  
P.O. Box 398  
Blairsville, Georgia 30514  
Attention: Jimmy C. Tallent  
Facsimile: (706) 745-1335

W i t h Kilpatrick Stockton LLP  
copies to: Suite 2800  
1100 Peachtree Street  
Atlanta, Georgia 30309-4530  
Attention: Richard R. Cheatham  
Facsimile: (404) 815-6555



**10.4 Entire Agreement.** This Agreement and the Merger Agreement supersede all prior discussions and agreements between SBI and United with respect to the Merger and the other matters contained herein and therein, and this Agreement and the Merger Agreement contain the sole and entire agreement between SBI and United with respect to the transactions contemplated herein and therein.

**10.5 Waiver; Amendment.** Prior to or on the Closing Date, United shall have the right to waive any default in the performance of any term of this Agreement by SBI, to waive or extend the time for the fulfillment by SBI of any or all of SBI's obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of United under this Agreement, except any condition which, if not satisfied, would result in the violation of any law or applicable governmental regulation. Prior to or on the Closing Date, SBI shall have the right to waive any default in the performance of any term of this Agreement by United, to waive or extend the time for the fulfillment by United of any or all of United's obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of SBI under this Agreement, except any condition which, if not satisfied, would result in the violation of any law or applicable governmental regulation. This Agreement may be amended by a subsequent writing signed by the parties hereto, *provided, however*, that the provisions of Section 9.2 requiring regulatory approval shall not be amended by the parties hereto without regulatory approval.

## ARTICLE XI

### TERMINATION

This Agreement may be terminated at any time prior to or on the Closing Date upon written notice to the other party as follows:

#### **11.1 Material Adverse Change.**

(a) By United, if, after the date hereof, a material adverse change in the financial condition or business of SBI shall have occurred, or if SBI shall have suffered a material loss or damage to any of its properties or assets, which change, loss or damage materially affects or impairs its ability to conduct its business.

(b) By SBI, if, after the date hereof, a material adverse change in the financial condition or business of United shall have occurred which change would reasonably be expected to have a material adverse effect on the market price of United Stock, or if United shall have suffered a material loss or damage to any its properties or assets, which change, loss or damage materially affects or impairs its ability to conduct its business.

**11.2 Noncompliance.**

(a) By United, (i) if the terms, covenants or conditions of this Agreement to be complied with or performed by SBI before the Closing shall not have been substantially complied with or substantially performed at or before the Closing Date and such noncompliance or nonperformance shall not have been waived by United; or (ii) in the event of a material breach by SBI of any covenant, agreement, or obligation contained in this Agreement which breach not been cured within twenty (20) days after the giving of written notice to United of such breach or, if such breach is not capable of being cured within twenty (20) days, SBI has not begun to cure such breach within twenty (20) days after such written notice.

(b) By SBI, (i) if the terms, covenants or conditions of this Agreement to be complied with or performed by United before the Closing shall not have been substantially complied with or substantially performed at or before the Closing Date and such noncompliance or nonperformance shall not have been waived by SBI; or (ii) in the event of a material breach by United of any covenant, agreement, or obligation contained in this Agreement which breach has not been cured within twenty (20) days after the giving of written notice to SBI of such breach or, if such breach is not capable of being cured within twenty (20) days, United has not begun to cure such breach within twenty (20) days after such written notice..

**11.3 Failure to Disclose.**

(a) By United, if it learns of any fact or condition not disclosed in this Agreement, the Disclosure Memorandum, or the SBI Financial Statements, which was required to be disclosed by SBI pursuant to the provisions of this Agreement with respect to the business, properties, assets or earnings of SBI which materially and adversely affects such business, properties, assets or earnings or the ownership, value or continuance thereof.

(b) By SBI, if it learns of any fact or condition not disclosed in this Agreement or the United Financial Statements, which was required to be disclosed by United pursuant to the provisions of this Agreement with respect to the business, properties, assets or earnings of United which materially and adversely affects such business, properties, assets or earnings or the ownership, value or continuance thereof.

**11.4 Adverse Proceedings.** By either party, if any action, suit or proceeding shall have been instituted or threatened against either party to this Agreement to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated herein, which, in the good faith opinion of the terminating party makes consummation of the transactions herein contemplated inadvisable.

**11.5 Termination Date.** By either party, if the Closing Date shall not have occurred on or before February 28, 2007.

**11.6 Dissenters.** By United, if the holders of more than five percent (5%) of the shares of the outstanding SBI Stock elect to exercise their statutory right to dissent from the Merger and demand payment in cash for the “*fair value*” of their shares.

**11.7 Shareholders Vote.** By either party, if the Merger Agreement is not approved by the vote of the holders of SBI Stock as required by applicable law.

**11.8 Termination Fee.** (a) If, while a Competing Offer (as defined in (b) below) is outstanding or after such an offer has been accepted, (i) either party terminates this Agreement pursuant to Section 11.7, (ii) SBI terminates this Agreement other than pursuant to Section 11.1(b), 11.2(b), 11.3(b) or 11.4, or (iii) United terminates this agreement pursuant to Section 11.2(a) or 11.3(a), then SBI shall pay, or cause to be paid to United, at the time of the termination of this Agreement, an amount equal to \$3.3 million (the “**Termination Fee**”), which shall be the sole and exclusive remedy of United for all claims under this Agreement.

(b) “**Competing Offer**” means any inquiry, proposal or offer, whether in writing or otherwise, from anyone other than United to acquire beneficial ownership (as determined under Rule 13d-3 of the 1934 Act) of all or a material portion of the assets of SBI or the Bank or 15% or more of any class of equity securities of SBI or the Bank pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer, exchange offer or similar transaction with respect to either SBI or the Bank, including any single or multi-step transaction or series of related transactions, which is structured to permit such party to acquire beneficial ownership of any material portion of the assets of, or 15% or more of the equity interest in either SBI or the Bank.

**11.9 Effect of Termination.** Except as set forth in Section 11.8, in the event of the termination of this Agreement pursuant to this Article XI, this Agreement shall become void and have no effect, and neither party shall have any liability of any nature whatsoever under this Agreement or in connection with the transactions contemplated by this Agreement except that (i) the provisions of this Article XI and Section 3.5 shall survive any such termination and (ii) such termination shall not relieve any party from liability arising from any willful breach of any provision of this Agreement

## ARTICLE XII

### COUNTERPARTS, HEADINGS, ETC.

This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The headings herein set out are for convenience of reference only and shall not be deemed a part of this Agreement. A pronoun in one gender includes and applies to the other genders as well.

## ARTICLE XIII

### NO THIRD PARTY BENEFICIARY

No provision of this Agreement shall be deemed to create any third party beneficiary rights in any anyone, including any employee or former employee of SBI (including any beneficiary or dependent thereof).

**ARTICLE XIV**

**BINDING EFFECT**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that this Agreement may not be assigned by either party without the prior written consent of the other.

**ARTICLE XV**

**GOVERNING LAW**

The validity and effect of this Agreement and the Merger Agreement and the rights and obligations of the parties hereto and thereto shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.

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**IN WITNESS WHEREOF**, SBI and United have caused this Agreement to be executed by their respective duly authorized corporate officers and their respective corporate seals to be affixed hereto as of the day and year first above written.

**SOUTHERN BANCORP, INC.**

(CORPORATE SEAL)

ATTEST:

By: /s/ J. Edward Mulkey, Jr.  
/s/ Priscilla D. Gamwell J. Edward Mulkey, Jr.  
Secretary Chairman

**UNITED COMMUNITY BANKS, INC.**

(CORPORATE SEAL)

ATTEST:

By: /s/ Jimmy C. Tallent  
/s/ Lori McKay Jimmy C. Tallent  
Assistant Secretary President & Chief Executive Officer

**EXHIBIT A**

**AGREEMENT AND PLAN OF MERGER**

(Merger Agreement)

**THIS AGREEMENT AND PLAN OF MERGER** (the “*Agreement*”) is made and entered into as of this \_\_\_ day of September, 2006, by and between **UNITED COMMUNITY BANKS, INC.**, a Georgia corporation (“*United*”) and **SOUTHERN BANCORP, INC.**, a Georgia corporation (“*SBI*”, and together with United, the “*Constituent Corporations*”).

**WHEREAS**, the authorized capital stock of United consists of 100,000,000 shares of Common Stock, \$1.00 par value per share (the “*United Stock*”), of which 40,245,123 shares are issued and outstanding and 10,000,000 shares of Preferred Stock, \$1.00 par value per share, of which 32,200 shares are issued and outstanding; and

**WHEREAS**, the authorized capital stock of SBI consists of 9,000,000 shares of Common Stock, \$1.00 par value per share, of which 1,619,137 shares are issued and outstanding (the “*SBI Stock*”); and

**WHEREAS**, the respective Boards of Directors of the Constituent Corporations deem it advisable and in the best interests of each such corporation and its shareholders that SBI merge with and into United, with United being the surviving corporation; and

**WHEREAS**, the respective Boards of Directors of the Constituent Corporations, by resolutions duly adopted, have unanimously approved and adopted this Agreement, and the Board of Directors of SBI, by resolution duly adopted, has directed that this Agreement be submitted to the shareholders of SBI for their approval; and

**WHEREAS**, United has agreed to issue shares of United Stock which shareholders of SBI will be entitled to receive, according to the terms and conditions contained herein, on or after the Effective Date (as defined herein) of the merger provided for herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which as legally sufficient consideration are hereby acknowledged, the parties hereto have agreed and do hereby agree, as follows:

**1. Merger.**

Pursuant to and with the effects provided in the applicable provisions of Article 11 of the Georgia Business Corporation Code, as amended (Chapter 2 of Title 14 of the Official Code of Georgia), SBI (hereinafter sometimes referred to as the “*Merged Corporation*”) shall be merged with and into United (the “*Merger*”). United shall be the surviving corporation (the “*Surviving Corporation*”) and shall continue under the name “United Community Banks, Inc.” On the Effective Date (as defined herein) of the Merger, the individual existence of the Merged Corporation shall cease and terminate.

**2. Actions to be Taken.**

The acts and things required to be done by the Georgia Business Corporation Code in order to make this Agreement effective, including the submission of this Agreement to the shareholders of the Merged Corporation and the filing of the certificate of merger in Georgia, relating hereto in the manner provided in said laws, shall be attended to and done by the proper officers of the Constituent Corporations with the assistance of counsel as soon as practicable.

**3. Effective Date.**

The Merger shall be effective upon the approval of this Agreement by the shareholders of the Merged Corporation and the filing of the certificate of merger in Georgia, relating hereto in the manner provided in the Georgia Business Corporation Code (the “*Effective Date*”).

**4. Articles of Incorporation and Bylaws of the Surviving Corporation.**

(a) The Amended and Restated Articles of Incorporation of United, as heretofore amended, shall on the Effective Date be the Articles of Incorporation of the Surviving Corporation.

(b) Until altered, amended or repealed, as therein provided, the Amended and Restated Bylaws of United as in effect on the Effective Date shall be the Bylaws of the Surviving Corporation.

**5. Manner and Basis of Converting Shares of Capital Stock; Capital Structure of the Surviving Corporation.**

The manner and basis of converting the shares of capital stock of each of the Constituent Corporations into shares of the Surviving Corporation shall be as follows:

(a) In the Merger, the shares of SBI Stock outstanding immediately prior to the Effective Date shall, by virtue of the Merger, be converted on the Effective Date, into the number of fully paid and nonassessable shares of United Stock determined by dividing the Purchase Price (as defined in that certain Agreement and Plan of Reorganization of even date herewith by and between SBI and United (the “*Acquisition Agreement*”)) by 1,849,137 subject to any adjustments occurring after the date hereof as contemplated by Section 5(b) below, and then dividing that quotient by \$30.50. The number that results from dividing the Purchase Price by 1,849,137 and then dividing that quotient by \$30.50 under this Section 5(a) shall hereinafter be referred to as the “*Conversion Ratio*”.

(b) If either party should change the number of its outstanding shares as a result of a stock split, stock dividend, or similar recapitalization with respect to such shares prior to the Effective Date then the shares to be issued hereunder to holders of SBI Stock shall be proportionately adjusted.

(c) Upon the Effective Date, all rights with respect to SBI Stock pursuant to stock options (the “*SBI Stock Options*”) granted by SBI which are outstanding at the Effective Date, whether or not exercisable, shall be converted into and become rights with respect to United Stock, and United shall assume each SBI Stock Option in accordance with the terms

of the stock option plan and the stock option agreement by which it is evidenced. From and after the Effective Date, (i) each SBI Stock Option assumed by United may be exercised solely for shares of United Stock, and (ii) the number of shares of United Stock subject to such SBI Stock Option shall be equal to the product of the number of shares of SBI Stock subject to such SBC Stock Option immediately prior to the Effective Date multiplied by the Conversion Ratio. The per share exercise price under each such SBI Stock Option shall remain the same as it was before the Effective Date. Upon the Effective Date, any other option, warrant, call, right, exchangeable or convertible security, commitment or agreement, written or oral, to which SBI is a party or by which it is bound obligating SBI to issue, deliver, sell or cause to be issued, delivered or sold any SBI Stock, regardless of whether such security is then exercisable or vested, and which is outstanding immediately prior to the Effective Date shall be canceled and extinguished.

(d) No scrip or fractional share certificates of United Stock shall be issued in connection with the Merger and an outstanding fractional share interest will not entitle the owner thereof to vote, to receive dividends or to have any of the rights of a shareholder with respect to such fractional interest. In lieu of any fractional interest, there shall be paid in cash, without interest, an amount (computed to the nearest cent) equal to such fraction multiplied by the purchase price per share of SBI Stock as determined by multiplying the Conversion Ratio by the closing price for United Stock on the Nasdaq Global Market trading day immediately preceding the Effective Date.

(e) As soon as practicable after the Effective Date, each holder as of the Effective Date of any of the shares of SBI Stock to be converted by such holder as above provided, upon presentation and surrender of the certificates representing such shares to United, shall be entitled to receive in exchange therefor a certificate representing the number of shares of United Stock, and cash, to which such shareholder shall be entitled according to the terms of this Agreement. Until such surrender, each such outstanding certificate which prior to the Effective Date represented SBI Stock shall be deemed for all corporate purposes to evidence ownership of the number of shares of United Stock into which the same shall have been converted by such holder as above provided, the right to receive cash by such holder as above provided, and the right to receive payment for fractional shares.

(f) Upon the Effective Date, each share of United Stock issued and outstanding immediately prior to the Effective Date shall continue unchanged and shall continue to evidence a share of common stock of the Surviving Corporation.

(g) Subject to Section 5(b) above, in no event shall the total number of shares of United Stock issued in connection with the Merger or under Section 5(c) above exceed 2,180,043.

**6. Termination of Separate Existence.**

Upon the Effective Date, the separate existence of the Merged Corporation shall cease and the Surviving Corporation shall possess all of the rights, privileges, immunities, powers and franchises, as well of a public nature as of a private nature, of each of the Constituent Corporations; and all property, real, personal and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest of or belonging to or due to each of the Constituent Corporations shall be taken and deemed to be



transferred to and vested in the Surviving Corporation without further act or deed, and the title to any real estate or any interest therein, vested in either of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger. The Surviving Corporation shall thenceforth be responsible and liable for all the liabilities, obligations and penalties of each of the Constituent Corporations; and any claim existing or action or proceeding, civil or criminal, pending by or against either of said Constituent Corporations may be prosecuted as if the Merger had not taken place, or the Surviving Corporation may be substituted in its place, and any judgment rendered against either of the Constituent Corporations may thenceforth be enforced against the Surviving Corporation; and neither the rights of creditors nor any liens upon the property of either of the Constituent Corporations shall be impaired by the Merger.

**7. Further Assignments.**

If at any time the Surviving Corporation shall consider or be advised that any further assignments or assurances in law or any other things are necessary or desirable to vest in said corporation, according to the terms hereof, the title to any property or rights of the Merged Corporation, the proper officers and directors of the Merged Corporation shall and will execute and make all such proper assignments and assurances and do all things necessary and proper to vest title in such property or rights in the Surviving Corporation, and otherwise to carry out the purposes of this Agreement.

**8. Conditions Precedent to Consummation of the Merger.**

This Agreement is subject to, and consummation of the Merger is conditioned upon, the fulfillment as of the Effective Date of each of the following conditions:

(a) Approval of this Agreement by the affirmative vote of the holders of a majority of the outstanding voting shares of SBI Stock; and

(b) All the terms, covenants, agreements, obligations and conditions of the Acquisition Agreement to be complied with, satisfied and performed on or prior to the Closing Date (as defined therein), shall have been complied with, satisfied and performed in all material respects unless accomplishment of such covenants, agreements, obligations and conditions has been waived by the party benefited thereby.

**9. Termination.**

This Agreement may be terminated and the Merger abandoned in accordance with the terms of the Acquisition Agreement, at any time before or after adoption of this Agreement by the directors of either of the Constituent Corporations, notwithstanding favorable action on the Merger by the shareholders of the Merged Corporation, but not later than the issuance of the certificate of merger by the Secretary of State of the State of Georgia with respect to the Merger in accordance with the provisions of the Georgia Business Corporation Code.

**10. Counterparts; Title; Headings.**

This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The title of this Agreement and the headings herein set out are for the convenience of reference only and shall not be deemed a part of this Agreement.

**11. Amendments; Additional Agreements.**

At any time before or after approval and adoption by the shareholders of SBI, this Agreement may be modified, amended or supplemented by additional agreements, articles or certificates as may be determined in the judgment of the respective Boards of Directors of the Constituent Corporations to be necessary, desirable or expedient to further the purposes of this Agreement, to clarify the intention of the parties, to add to or modify the covenants, terms or conditions contained herein or to effectuate or facilitate any governmental approval of the Merger or this Agreement, or otherwise to effectuate or facilitate the consummation of the transactions contemplated hereby; *provided, however*, that no such modification, amendment or supplement shall reduce to any extent the consideration into which shares of SBI Stock shall be converted in the Merger pursuant to Section 5 hereof.

**IN WITNESS WHEREOF**, the Constituent Corporations have each caused this Agreement to be executed on their respective behalfs and their respective corporate seals to be affixed hereto as of the day and year first above written.

**SOUTHERN BANCORP, INC.**

(CORPORATE SEAL)

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_  
Secretary

Title: \_\_\_\_\_

**UNITED COMMUNITY BANKS, INC.**

(CORPORATE SEAL)

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_  
Assistant Secretary

Title: \_\_\_\_\_

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**EXHIBIT B**

**AGREEMENT AND PLAN OF MERGER**

(the Bank Merger Agreement)

**THIS AGREEMENT AND PLAN OF MERGER** (the “*Agreement*”) is made and entered into as of this 5<sup>th</sup> day of September 2006, by and between **UNITED COMMUNITY BANK**, a Georgia bank (“*UCB Georgia*”), and **SOUTHERN NATIONAL BANK**, a bank chartered under the laws of the United States with its main office in Marietta, Georgia (the “*Bank*”, and together with United, the “*Constituent Banks*”).

**WHEREAS**, the Bank has authorized capital stock consisting solely of 3,000,000 shares of common stock, par value \$1.00 per share (the “*Bank Stock*”); and

**WHEREAS**, the authorized capital stock of UCB Georgia consists of 100,000 shares of common stock, \$10.00 par value per share, of which 85,000 shares are issued and outstanding (the “*UCB Georgia Stock*”); and

**WHEREAS**, the respective Boards of Directors of the Constituent Banks deem it advisable and in the best interests of each such bank and its shareholders that the Bank merge with UCB Georgia, with UCB Georgia being the surviving bank; and

**WHEREAS**, the respective Boards of Directors of the Constituent Banks, by resolutions duly adopted, have unanimously approved and adopted this Agreement and directed that it be submitted to the sole shareholder of each of the Bank and UCB Georgia for their approval;

**NOW, THEREFORE**, for and in consideration of the premises and the mutual agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which as legally sufficient consideration are hereby acknowledged, the parties hereto have agreed and do hereby agree, as follows:

**1. Merger.**

Pursuant to and with the effects provided in the applicable provisions of Article 2 of the Financial Institution Code of Georgia, Chapter 1 of Title 7 of the Official Code of Georgia (the “*Code*”), the Bank (hereinafter sometimes referred to as the “*Merged Bank*”) shall be merged with and into UCB Georgia (the “*Merger*”). UCB Georgia shall be the surviving bank (the “*Surviving Bank*”) and shall continue under the name “*United Community Bank*”. On the Effective Date (as defined herein) of the Merger, the individual existence of the Merged Bank shall cease and terminate.

**2. Actions to be Taken.**

The acts and things required to be done by the Code in order to make this Agreement effective, including the submission of this Agreement to the shareholders of the Constituent Banks and the filing of the articles of merger relating hereto in the manner provided in said Code, shall be attended to and done by the proper officers of the Constituent Banks with the assistance of counsel as soon as practicable.

**3. Effective Date.**

The Merger shall be effective upon the approval of this Agreement by the shareholder of the Merged Bank and the filing of the articles of merger relating to each merger in the manner provided in the Code (the “*Effective Date*”).

**4. Articles of Incorporation and Bylaws of the Surviving Bank.**

(a) The Articles of Incorporation of UCB Georgia, as heretofore amended, as in effect on the Effective Date shall be the Articles of Incorporation of the Surviving Bank.

(b) Until altered, amended or repealed, as therein provided, the Bylaws of UCB Georgia as in effect on the Effective Date shall be the Bylaws of the Surviving Bank.

**5. Directors.**

Upon the Merger contemplated herein becoming effective, the directors of the Surviving Bank shall be the individuals set forth on Attachment 1 hereto. Said persons shall hold office until the next annual meeting of the shareholder of the Surviving Bank and until their successors are elected in accordance with the Bylaws of the Surviving Bank. If on the Effective Date any vacancy shall exist on the Board of Directors of the Surviving Bank, such vacancy shall be filled in the manner specified in the Bylaws of the Surviving Bank.

**6. Cancellation of Shares of Merged Bank; Capital Structure of the Surviving Bank.**

(a) Upon the Effective Date, each share of the respective Merged Bank’s Bank Stock outstanding on the Effective Date shall be cancelled.

(b) Upon the Effective Date, each share of the Surviving Bank issued and outstanding immediately prior to the Effective Date shall remain outstanding.

**7. Termination of Separate Existence.**

Upon the Effective Date, the separate existence of the Merged Bank shall cease and the Surviving Bank shall possess all of the rights, privileges, immunities, powers and franchises, as well of a public nature as of a private nature, of each of the Constituent Banks; and all property, real, personal and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest of or belonging to or due to each of the Constituent Banks shall be taken and deemed to be transferred to and vested in the Surviving Bank without further act or deed, and the title to any real estate or any interest therein, vested in either of the Constituent Banks shall not revert or be in any way impaired by

reason of the Merger. The Surviving Bank shall thenceforth be responsible and liable for all the liabilities, obligations and penalties of each of the Constituent Banks; and any claim existing or action or proceeding, civil or criminal, pending by or against either of said Constituent Banks may be prosecuted as if the Merger had not taken place, or the Surviving Bank may be substituted in its place, and any judgment rendered against either of the Constituent Banks may thenceforth be enforced against the Surviving Bank; and neither the rights of creditors nor any liens upon the property of either of the Constituent Banks shall be impaired by the Merger.

**8. Further Assignments.**

If at any time the Surviving Bank shall consider or be advised that any further assignments or assurances in law or any other things are necessary or desirable to vest in said bank, according to the terms hereof, the title to any property or rights of the Merged Bank, the proper officers and directors of the Merged Bank shall and will execute and make all such proper assignments and assurances and do all things necessary and proper to vest title in such property or rights in the Surviving Bank, and otherwise to carry out the purposes of this Agreement.

**9. Condition Precedent to Consummation of the Merger.**

This Agreement is subject to, and consummation of the Merger is conditioned upon, the fulfillment as of the Effective Date of approval of this Agreement by the affirmative vote of the sole shareholders of each of UCB Georgia and the Bank.

**10. Termination.**

This Agreement may be terminated and the Merger abandoned at any time before or after adoption of this Agreement by the directors of either of the Constituent Banks, notwithstanding favorable action on the Merger by the shareholders of the Merged Bank, but not later than the issuance of the certificates of merger by the Secretary of State of Georgia with respect to the Merger in accordance with the provisions of the Code.

**11. Counterparts; Title; Headings.**

This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The title of this Agreement and the headings herein set out are for the convenience of reference only and shall not be deemed a part of this Agreement.

**12. Amendments; Additional Agreements.**

At any time before or after approval and adoption by the shareholder of the Bank, this Agreement may be modified, amended or supplemented by additional agreements, articles or certificates as may be determined in the judgment of the respective Boards of Directors of the Constituent Banks to be necessary, desirable or expedient to further the purposes of this Agreement, to clarify the intention of the parties, to add to or modify the covenants, terms or conditions contained herein or to effectuate or facilitate any governmental approval of the Merger or this Agreement, or otherwise to effectuate or facilitate the consummation of the transactions contemplated hereby; *provided, however*, that no such modification, amendment or supplement shall reduce to any extent the consideration into which shares of the Bank Stock shall be converted in the Merger pursuant to Section 6 hereof.

**IN WITNESS WHEREOF**, the Constituent Banks have each caused this Agreement to be executed on their respective behalfs and their respective bank seals to be affixed hereto as of the day and year first above written.

**UNITED COMMUNITY BANKS, INC.**

(BANK SEAL)

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Assistant Secretary

Name: \_\_\_\_\_  
\_\_\_\_\_

Title: \_\_\_\_\_  
\_\_\_\_\_

**SOUTHERN BANCORP, INC.**

(BANK SEAL)

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Secretary

Name: \_\_\_\_\_  
\_\_\_\_\_

Title: \_\_\_\_\_  
\_\_\_\_\_

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\_\_\_\_\_

**ATTACHMENT 1**

**Directors of the Surviving Bank**

Billy M. Decker  
Dr. G. David Gowder III  
Robert L. Head, Jr.  
Charles E. Hill  
Jack C. Lance, Sr.  
W.C. Nelson, Jr.  
Paul B. Owenby  
Jimmy C. Tallent  
Andrew M. Williams III

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**EXHIBIT C**

September \_\_, 2006

United Community Banks, Inc.  
P.O. Box 398  
Blairsville, GA 30514

Ladies and Gentlemen:

In connection with the proposed merger (the "**Merger**") of Southern Bancorp, Inc. ("**SBI**") with and into United Community Banks, Inc. ("**United**"), pursuant to the Agreement and Plan of Reorganization of even date herewith between United and SBI (the "**Acquisition**"), the undersigned hereby covenants, represents and warrants as follows:

1. Recommendation for Merger and Voting of SBI Stock. Subject to any applicable fiduciary duty, the undersigned agrees to recommend to all holders of the capital stock of SBI ("**SBI Stock**") that they vote in favor of the Merger. In addition, the undersigned agrees to vote any and all shares of SBI Stock owned or controlled by him or her in favor of the Merger.
2. Compliance with Securities Laws. The undersigned acknowledges that he or she will be subject to the restrictions on resales contained in Rule 145 of the Rules and Regulations of the Securities and Exchange Commission ("**SEC**") under the Securities Act of 1933, as amended, and agrees to sell, transfer or otherwise dispose of any shares of capital stock of United ("**United Stock**") received by him or her pursuant to the Merger only in compliance with the provisions of such Act and Rule. The undersigned acknowledges that United is not under any obligation to file a registration statement with the SEC covering the disposition of the undersigned's shares of United Stock to be received pursuant to the Merger.
3. Restrictive Legend. The undersigned agrees that the certificates representing shares of United Stock to be issued to the undersigned pursuant to the Merger will be stamped or otherwise imprinted with a legend in substantially the following form:

The shares represented by this certificate may not be sold, transferred or otherwise disposed of except in a transaction covered by an effective registration statement under the Securities Act of 1933, as amended, or in accordance with Rule 145 promulgated thereunder, or in accordance with a legal opinion satisfactory to the Company that such sale or transfer is otherwise exempt from the requirements of such Act.

Sincerely,

[Director, Executive Officer or 5% Shareholder]

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**EXHIBIT D**

- (1) SBI was duly organized as a corporation, and is existing and in good standing, under the laws of the State of Georgia. The Bank was duly organized as a national bank, and is existing and in good standing, under the laws of the United States. Southern Lending was duly organized as a limited liability company, and is existing and in good standing, under the laws of the State of Georgia.
- (2) SBI has the corporate power to execute and deliver the Acquisition Agreement and Merger Agreement to perform its obligations thereunder, to own and use its assets and to conduct its business.
- (3) SBI has duly authorized the execution and delivery of the Acquisition Agreement and the Merger Agreement and all performance by SBI thereunder, and has duly executed and delivered the Acquisition Agreement and the Merger Agreement.
- (4) No consent, approval, authorization or other action filed by, or filing with, any governmental authority of the United States or the State of Georgia is required for SBI's execution and delivery of the Acquisition Agreement and the Merger Agreement and consummation of the Transaction, which consent, approval or authorization has not been previously received.
- (5) The Acquisition Agreement and the Merger Agreement are enforceable against SBI.
- (6) The authorized capital stock of SBI consists of (i) 10,000,000 shares of common stock, \$1.00 par value per share, ("**SBI Stock**") with 1,619,137 shares issued and outstanding, 45,000 shares reserved for issuance upon exercise of currently outstanding options (the "**SBI Stock Options**"), and 185,000 shares reserved for issuance upon exercise of currently outstanding warrants the "**SBI Warrants**"), and (ii) 2,000,000 shares of preferred stock, no par value, none of which is issued and outstanding. The authorized capital stock of the Bank consists of 3,000,000 shares of common stock, \$1.00 par value per share, ("**Bank Stock**") 1,310,000 of which are issued and outstanding. All of the issued and outstanding shares of SBI Stock and Bank Stock are duly and validly issued, fully paid and non-assessable (except to the extent such Bank Stock may be deemed assessable under 12 U.S.C. Section 55) and were offered, issued and sold in compliance with all applicable federal and state securities laws. To our knowledge, no person has any right of rescission or claim for damages under federal or state securities laws with respect to the issuance of any shares SBI Stock or Bank Stock previously issued. None of the shares of SBI Stock or Bank Stock has been issued in violation of any preemptive or other rights of its respective shareholders. All of the issued and outstanding shares of the Bank Stock are owned by SBI. SBI is the sole member of Southern Lending.

**EXHIBIT E**

- (1) United was duly organized as a corporation, and is existing and in good standing, under the laws of the State of Georgia.
- (2) United has the corporate power to execute and deliver the Acquisition Agreement and Merger Agreement to perform its obligations thereunder, to own and use its Assets and to conduct its business.
- (3) United has duly authorized the execution and delivery of the Acquisition Agreement and the Merger Agreement and all performance by United thereunder, and has duly executed and delivered the Acquisition Agreement and Merger Agreement:
- (4) No consent, approval, authorization or other action filed by, or filing with, any governmental authority of the United States or the State of Georgia is required for United's execution and delivery of the Acquisition Agreement and the Merger Agreement and consummation of the Transaction, which consent, approval or authorization has not been previously received.
- (5) The Acquisition Agreement and the Merger Agreement are enforceable against United.
- (6) The shares of United Stock to be issued upon consummation of the Merger have been duly authorized and upon issuance as contemplated in the Merger Agreement, will be validly issued, fully paid and non-assessable.

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**EXHIBIT F**

**FORM OF TERMINATION AGREEMENT**

**THIS TERMINATION OF CHANGE IN CONTROL AGREEMENT** (the “*Agreement*”) is made as of \_\_\_\_\_, 2006 (the “*Effective Date*”), by and among **UNITED COMMUNITY BANK**, Georgia bank (“*Bank*”), **UNITED COMMUNITY BANKS, INC.**, a Georgia corporation (the “*Company*”), and \_\_\_\_\_, a resident of the State of Georgia (“*Executive*”).

**WHEREAS**, Executive entered into that certain Change in Control Agreement (the “*Change in Control Agreement*”), dated March 31, 2006, with Southern Bancorp, Inc., a Georgia business corporation and successor to the Company, (“*SBI*”) and Southern National Bank, a national bank and successor to Bank (“*SNB*”);

**WHEREAS**, SBI and the Company entered into that certain Agreement and Plan of Reorganization (the “*Acquisition Agreement*”), dated as of September 5, 2006, pursuant to which the Company acquired SBI and Bank by the merger of Southern with and into the Company and the merger of SNB with and into Bank; and

**WHEREAS**, in satisfaction of a condition of the Acquisition Agreement, the parties have agreed to terminate the Change in Control Agreement, in accordance with the terms of this Agreement;

**NOW THEREFORE**, in consideration of the premises and of the mutual covenants, agreements, representations, warranties, benefits and obligations contained in this Agreement, and of other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. The Change in Control Agreement shall be terminated effective as of the date hereof, and neither party shall have any further obligations to the other thereunder.
2. In consideration for, and as a material inducement to enter into this Agreement, Bank will provide Executive with an amount of \$\_\_\_\_\_, gross, (the “*Termination Payment*”). The Termination Payment shall be paid or credited as follows:
  - a. \$\_\_\_\_\_ (the “*Cash Payment*”) shall be paid in cash on the date hereof; and
  - b. \$\_\_\_\_\_ (the “*Plan Payment*”) shall be credited to the Executive’s account in the Company’s Deferred Compensation Plan as of the date hereof.
3. This Agreement will be deemed to be a contract made under the laws of the State of Georgia, and for all purposes will be governed by and interpreted in accordance with the laws prevailing in the State of Georgia, without regard to principles of conflict of laws.

4. Executive affirms that the only consideration for him signing this Agreement is that set forth in **Section 2**, that no other promise or agreement of any kind has been made to or with him by any person or entity to cause him to execute this document, and that he fully understands the meaning and intent of this Agreement, including but not limited to, its final and binding effect.
5. In consideration of the payments being provided to him, Executive, for himself, his attorneys, heirs, executors, administrators, successors and assigns, fully, finally and forever releases and discharges the Company and the Bank, all subsidiary and affiliated companies, as well as its and their successors, assigns, officers, owners, directors, agents, representatives, attorneys, and employees, of and from all claims, demands, actions, causes of action, suits, damages, losses, and expenses, of any and every nature whatsoever, as a result of actions or omissions occurring through the date of this Agreement; including, without limitation, claims relating to the Change in Control Agreement. Specifically included in this waiver and release are any and all claims under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Equal Pay Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. §1981, Executive Order 11246; Executive Order 11141, Section 503 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act and any other federal, state or local statute, rule, ordinance, or regulation, as well as any claims for alleged wrongful discharge, negligent or intentional infliction of emotional distress, breach of contract, fraud, or any other unlawful behavior, the existence of which is specifically denied by the Company and the Bank..

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

**UNITED COMMUNITY BANK**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**UNITED COMMUNITY BANKS, INC.**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXECUTIVE**

By: \_\_\_\_\_  
Print: \_\_\_\_\_

**EXHIBIT G**

**FORM OF STOCK OPTION AWARD AGREEMENT**

**UNITED COMMUNITY BANKS, INC.**

**2000 KEY EMPLOYEE STOCK OPTION PLAN**

**STOCK OPTION AGREEMENT**

**(Nonqualified Stock Option - Key Employee)**

**Optionee:** \_\_\_\_\_

**Number of NQSO Shares:** \_\_\_\_\_ Shares

**NQSO Option Exercise Price:** \$ \_\_\_\_\_ per Share

**NQSO Date of Grant:** \_\_\_\_\_

**NQSO Vesting Schedule:** Percentage Date  
of Shares (from Grant Date)

**THIS OPTION AGREEMENT** (the "Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between UNITED COMMUNITY BANKS, INC., a Georgia corporation (the "Company"), and the individual designated above (the "Optionee").

**WITNESSETH:**

**WHEREAS**, the United Community Banks, Inc. 2000 Key Employee Stock Option Plan (the "Plan") was adopted by the Company, effective December 8, 1999;

**WHEREAS**, the Optionee performs valuable services for the Company, a subsidiary or one of their affiliates; and

**WHEREAS**, the Board of Directors of the Company or the committee responsible for the administration of the Plan has determined to grant the Option to the Optionee as provided herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**1. Grant of the Option.**

**1.1 Option.** An option to purchase shares of the Company's Common Stock, par value \$1.00 per share (the "Shares"), is hereby granted to the Optionee (the "Option").



**1.2 Number of Shares.** The number of Shares that the Optionee can purchase upon exercise of the Option is set forth above.

**1.3 Option Exercise Price.** The price the Optionee must pay to exercise the Option (the “Option Exercise Price”) is set forth above.

**1.4 Date of Grant.** The date that the Option is granted (the “Date of Grant”) is set forth above.

**1.5 Type of Option.** The Option is intended to be a Nonqualified Stock Option. It is not intended to qualify as an Incentive Stock Option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended from time to time, or any successor provision thereto.

**1.6 Construction.** This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

**1.7 Execution of Agreement.** The Option is evidenced by this Agreement. If the Optionee does not execute this Agreement within thirty (30) days of receiving the Agreement, the Committee may in its discretion cancel the Option and this Agreement.

## **2. Duration.**

The Option shall be exercisable to the extent and in the manner provided herein for a period of ten (10) years from the Date of Grant (the “Exercise Term”); provided, however, that the Exercise Term may end earlier as provided in Sections 5 and 13 hereof.

## **3. Vesting.**

The Option shall vest and become exercisable in accordance with the vesting schedule specified above. The Optionee may exercise the Option to the extent it is vested during the Exercise Term, subject to any limitations on exercise contained in Section 7 hereof.

## **4. Manner of Exercise and Payment.**

**4.1 Delivery.** To exercise the Option, the Optionee must deliver a completed copy of the Option Exercise Form, attached hereto as Exhibit A and incorporated herein by reference, to the address indicated on such Form or such other address designated by the Company from time to time. The Committee may establish a minimum number of Shares (e.g., 100) for which the Option may be exercised at a particular time. Contemporaneously with the delivery of the Option Exercise Form, the Optionee shall tender to the Company the aggregate Option Exercise Price for the Shares as to which the Optionee is exercising the Option by (i) cash, check, or wire transfer, (ii) delivering or properly attesting to ownership of Shares with a Fair Market Value at the date of exercise equal to the aggregate Option Exercise Price for the Shares as to which the Optionee is exercising the Option, (iii) a broker-assisted cashless exercise transaction through a brokerage firm designated by the Optionee, or (iv) or by such other method of payment as may be acceptable to the Committee pursuant to the Plan. The Company shall deliver to the Optionee certificates evidencing the Shares as to which the Option was exercised within thirty (30) days of the date on which the



Optionee delivers the Option Exercise Form and makes payment of the aggregate Option Exercise Price to the Company or shall make such Shares available for electronic delivery in the U.S. to an account the Optionee designates in writing within three (3) business days after the date on which the Optionee delivers the Option Exercise Form and makes payment of the aggregate Option Exercise Price to the Company, and in either case such Shares shall be free and clear of all liens, security interests, pledges or other claims or charges, except those provided in this Agreement or the Plan, or any other agreement affecting the Shares. Notwithstanding the foregoing, if the Optionee is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, the Optionee may not exercise any Option prior to the date that is six (6) months after the Date of Grant unless the Optionee's employment has terminated due to death, Disability, or Retirement or unless a Change in Control has occurred after the Date of Grant.

**4.2 No Rights as Shareholder.** The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Optionee, and (iii) the Optionee's name shall have been entered as a shareholder of record on the books of the Company, whereupon the Optionee shall have full voting and other ownership rights with respect to such Shares, subject to divestment pursuant to Section 13.

## **5. Termination of Employment.**

**5.1 Termination by Death.** In the event the Optionee dies while actively employed, the outstanding unvested portion of the Option shall immediately vest, and thereafter the Option shall remain exercisable at any time prior to its expiration date, or for one (1) year after the date of death, whichever period is shorter, (i) by such person(s) who have acquired the Optionee's rights by will or the laws of descent and distribution, or (ii) if no such person in (i) exists, by the executor or representative of the Optionee's estate.

**5.2 Termination by Disability.** In the event the employment of the Optionee is terminated by reason of Disability, the outstanding unvested portion of the Option shall expire as of the date the Committee determines the definition of Disability to have been satisfied by the Optionee, and the outstanding vested portion of the Option as of that date shall remain exercisable at any time prior to its expiration date, or for one (1) year after the Committee's determination of Disability, whichever period is shorter.

**5.3 Termination for Cause.** If the Optionee's employment is terminated by the Company for Cause or the Optionee voluntarily terminates his employment (other than upon Retirement), the outstanding Option shall expire immediately, and the Optionee's right to exercise the outstanding Option (whether or not vested) shall terminate immediately, upon the date of the Optionee's termination of employment.

**5.4 Termination of Employment for Other Reasons.** If the Optionee's employment is terminated by the Company without Cause or upon the Retirement of the Optionee, the outstanding unvested portion of the Option shall expire, and the outstanding vested portion of the Option as of the date of his termination of employment shall remain exercisable at any time prior to its expiration date or for three (3) months (one (1) year in the case of Retirement) after the date of his termination of employment, whichever period is shorter.

**5.5 Employment by Subsidiary.** For purposes of this Section and Sections 8 and 13, employment with the Company includes employment with any Subsidiary and service as a Director of the Company or any Subsidiary shall be considered employment with the Company. A change of employment between the Company and any Subsidiary or between Subsidiaries or a change in the nature of the Optionee's service relationship with the Company and the Subsidiaries (e.g., from employee to Director) without any interruption in the Optionee's provision of services is not a termination of employment under this Agreement.

**5.6 Change In Control.** In the event a Change in Control occurs while the Optionee is employed by the Company, the outstanding unvested portion of the Option shall immediately vest and become immediately exercisable. The Option shall remain exercisable in accordance with the other provisions of this Agreement, provided that, notwithstanding the other provisions of this Agreement, the Option shall remain exercisable for a period of one (1) year after the date of the Change in Control.

**6. Nontransferability.**

The Option shall not be transferable other than by will or by the laws of descent and distribution and during the lifetime of the Optionee. The Option shall be exercisable only by the Optionee except as provided in Section 5.1.

**7. Securities Laws Restrictions.**

The Option may not be exercised at any time unless, in the opinion of counsel for the Company, the issuance and sale of the Shares issued upon such exercise is exempt from registration under the Securities Act of 1933, as amended, or any other applicable federal or state securities law, rule or regulation, or the Shares have been duly registered under such laws. The Company intends to register the Shares issuable upon the exercise of the Option; however, until the Shares have been registered under all applicable laws, the Optionee shall represent, warrant and agree, as a condition to the exercise of any Option, that the Shares are being purchased for investment only and without a view to any sale or distribution of such Shares and that such Shares shall not be transferred or disposed of in any manner without registration under such laws, unless it is the opinion of counsel for the Company that such a disposition is exempt from such registration. The Optionee acknowledges that an appropriate legend giving notice of the foregoing restrictions may appear conspicuously on all certificates evidencing the Shares issued upon the exercise of the Option.

**8. No Right to Continued Employment.**

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Optionee any right with respect to continuance of employment by the Company or any Subsidiary, nor shall this Agreement or the Plan interfere in any way with the right of the Company or a Subsidiary to terminate the Optionee's employment at any time.

**9. Adjustments.**

In the event of a change in capitalization, the Committee shall make appropriate adjustments in accordance with the provisions of Section 4.3 of the Plan. The adjustment shall be effective and final, binding and conclusive for all purposes of the Plan and this Agreement.

**10. Withholding of Taxes.**

Prior to the issuance of Shares to the Optionee upon exercise of the Option, the Optionee shall pay the federal, state, local income taxes and other amounts as may be required by law to be withheld (the "Withholding Taxes") (if any) to the Company in cash or by check or wire transfer. In satisfaction of the Withholding Taxes, the Optionee may make a written election (the "Tax Election") to satisfy such withholding obligation by a broker-assisted cashless exercise transaction through a brokerage firm designated by the Optionee, by delivering Shares (that have been owned by the Optionee for at least six (6) months or such other period as may be required by the Committee) or by having the Company retain from the Shares to be delivered a number of Shares having an aggregate Fair Market Value equal to the Withholding Taxes, provided that, if the Optionee may be subject to liability under Section 16(b) of the Exchange Act, the election must comply with the requirements applicable to Share transactions by the Optionee. The Company shall have the right to deduct from any amounts payable to the Optionee for salary, bonuses or otherwise an amount equal to Withholding Taxes with respect to the Option.

**11. Optionee Bound by the Plan.**

The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

**12. Modification of Agreement.**

Except as expressly otherwise provided herein, this Agreement may not be modified, amended, suspended or terminated, and any terms or conditions may not be waived, except by a written instrument executed by the parties hereto.

**13. Cancellation and Rescission of Awards; Return of Profits.**

**13.1** If, during his employment with the Company or at any time during the period of six (6) months after the Date of Termination, the Optionee engages in any "Detrimental Activity" (as defined in the Plan), the Committee shall, notwithstanding any other provision in this Agreement to the contrary, (i) cancel any outstanding portion of the Option that is not yet vested, (ii) repurchase any Shares issued to the Optionee pursuant to exercise of the Option at a per Share repurchase price equal to the Option Exercise Price, and/or (iii) require the Optionee to pay to the Company any gain realized from Shares issued to the Optionee pursuant to exercise of the Option.

**13.2** If, during his employment with the Company or at any time during the period of one (1) year after the Date of Termination, the Optionee violates the restrictive covenants set forth in Section 13.3 below, then the Committee shall, notwithstanding any other provision in this Agreement to the contrary, (i) cancel any outstanding portion of the Option that is not yet vested, (ii) repurchase any Shares issued to the Optionee pursuant to exercise of the Option at a per Share repurchase price equal to the Option Exercise Price, and/or (iii) require the Optionee to pay to the Company any gain realized from Shares issued to the Optionee pursuant to exercise of the Option.

**13.3** The Optionee will not directly or indirectly, individually, or on behalf of any Person other than the Company or a Subsidiary:

- (i) solicit any Customers for the purpose of providing services identical to or reasonably substitutable for the Company's Business;
- (ii) solicit or induce, or in any manner attempt to solicit or induce, any Person employed by the Company to leave such employment, whether or not such employment is pursuant to a written contract with the Company or any Subsidiary or is at will;
- (iii) engage in the Company's Business within the Territory or accept employment or engagement within the Territory as a director, officer, executive, manager, or business consultant for any Person engaging in the Company's Business; or
- (iv) knowingly or intentionally damage or destroy the goodwill and esteem of the Company, any Subsidiary, the Company's Business or the Company's or any Subsidiary's suppliers, employees, patrons, customers, and others who may at any time have or have had relations with the Company or any Subsidiary.

The Optionee further agrees that he or she will not, except as necessary to carry out his duties as an employee of the Company, disclose or use Confidential Information. The Optionee further agrees that, upon termination or expiration of employment with the Company for any reason whatsoever or at any time, the Optionee will upon request by the Company deliver promptly to the Company all materials (including electronically-stored materials), documents, plans, records, notes, or other papers, and any copies in the Optionee's possession or control, relating in any way to the Company's Business, which at all times shall be the property of the Company.

**13.4** For purposes of this Section 13, the following terms shall have the meanings specified below:

- (i) "**Company's Business**" means the business of operating a commercial or retail bank, savings association, mutual thrift, credit union, trust, or other business or financial services organization or entity.
- (ii) "**Confidential Information**" means information, without regard to form, relating to the Company's or any Subsidiary's customers, operation, finances, and business that derives economic value, actual or potential, from not being generally known to other Persons, including, but not limited to, technical or non-technical data (including personnel data), formulas, patterns, compilations (including compilations of customer information), programs, devices, methods, techniques, processes, financial data or lists of actual or potential customers (including identifying information about customers), whether or not in writing. Confidential Information includes information disclosed to the Company or any Subsidiary by third parties that the Company or any Subsidiary is obligated to maintain as confidential. Confidential Information subject to this Agreement may include information that is not a trade secret under applicable law, but information not constituting a trade secret only shall be treated as Confidential Information under this Agreement for a two (2) year period after the Date of Termination.

(iii) “*Customers*” means all Persons that (1) the Optionee serviced or solicited on behalf of the Company or any Subsidiary, (2) whose dealings with the Company or any Subsidiary were coordinated or supervised, in whole or in part, by the Optionee, or (3) about whom the Optionee obtained Confidential Information, in each case during the term of this Agreement or while otherwise employed by the Company.

(iv) “*Date of Termination*” means the date upon which the Optionee’s employment with the Company ceases for any reason.

(v) “*Person*” means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other entity.

(vi) “*Territory*” means Cobb and Cherokee Counties, Georgia and any adjacent county to either Cobb County or Cherokee County.

**14. Severability.**

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

**15. Governing Law.**

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the United States and the laws of the State of Georgia without giving effect to the conflicts of laws principles thereof.

**16. Successors in Interest.**

This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, reorganization, purchase of stock or assets, or otherwise, all or substantially all of the Company’s assets and business. This Agreement shall inure to the benefit of the Optionee’s heirs and legal representatives. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Optionee’s heirs, executors, administrators and successors.

**17. Entire Agreement.** This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto.

**18. Resolution of Disputes.**

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement and the Plan shall be determined by the Committee. Any determination made by the Committee shall be final, binding and conclusive on the Optionee and the Company and their successors, assigns, heirs, executors, administrators and legal representatives for all purposes.

**19. Legal Construction.**

The legal construction and interpretation of this Agreement (including, but not limited to, issues of gender, plural or singular, governing law and severability) shall be governed by the provisions of Article 19 of the Plan.

**[EXECUTION PAGE FOLLOWS]**

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**UNITED COMMUNITY BANKS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By signing below, the Optionee hereby accepts the Option subject to all its terms and provisions and agrees to be bound by the terms and provisions of the Plan. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board of Directors of the Company, or the Compensation Committee or other Committee responsible for the administration of the Plan, upon any questions arising under the Plan. The Optionee authorizes the Company to withhold, in accordance with applicable law, from any compensation payable to him or her, any taxes required to be withheld by federal, state, local or foreign law as a result of the grant, existence or exercise of the Option, or subsequent sale of the Shares.

**OPTIONEE**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**[EXHIBIT FOLLOWS]**

**EXHIBIT A**

**OPTION EXERCISE FORM**

I, \_\_\_\_\_, do hereby exercise the Option with a Date of Grant of \_\_\_\_\_, \_\_\_\_\_ granted to me by the Option Agreement executed in connection therewith. The number of Shares being purchased, the Exercise Price and the Total Option Exercise Price are set forth below:

Number of Shares: \_\_\_\_\_ Shares

Option Exercise Price Per Share x \$ \_\_\_\_\_ per Share

Total Option Exercise Price: = \$ \_\_\_\_\_

The Total Option Exercise Price is included with this Form.

D a t e : \_\_\_\_\_  
\_\_\_\_\_

Signature

Send or deliver this Form with an original signature to

United Community Banks, Inc.

P.O. Box 398, 59 Highway 515

Blairsville, GA 30512

Attn: [NAME]

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**EXHIBIT H**

**FORM OF CHANGE IN CONTROL AGREEMENT**

**THIS AGREEMENT** made as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_, by and between **UNITED COMMUNITY BANK**, a Georgia bank (the “**Bank**”), and \_\_\_\_\_, a resident of the State of Georgia (the “**Executive**”);

**WHEREAS**, the Executive is a key employee of the Bank and/or its wholly-owned subsidiaries, and an integral part of the management team; and

**WHEREAS**, the Bank wishes to assure both itself and its key employees of continuity of management and objective control of the Bank; and

**WHEREAS**, the Bank considers it desirable and in its best interests to enter into an agreement which provides that in the event the Executive’s employment is terminated in conjunction with a change in control of the Bank’s parent, United Community Banks, Inc. (the “**Company**”), the Executive shall, subject to the terms and conditions provided for herein, receive a termination payment, which payment is not intended to exceed the compensation the Executive could have reasonably expected to receive in absence of a change in control of the Company;

**NOW, THEREFORE**, the parties agree as follows:

1. **BENEFITS PAYABLE UPON CHANGE IN CONTROL.**

(a) The term of this Agreement shall be for a rolling, one (1) year term commencing on the date hereof, and shall be deemed automatically (without further action by either the Bank or the Executive) to extend each day for an additional day such that the remaining term of the Agreement shall continue to be one (1) year; *provided, that* the Bank may, by notice to the Executive, cause this Agreement to cease to extend automatically and, upon such notice, the “**Term**” of this Agreement shall be one (1) year following such notice.

(b) No provision of this Paragraph 1 shall be operative unless, during the Term of this Agreement, there has been a Change in Control of the Company. Upon such a Change in Control of the Company, all the provisions of this Paragraph 1 shall become operative immediately.

(c) If a Change in Control occurs during the term of this Agreement and the Executive’s employment is terminated (i) within twelve (12) months following the date of the Change in Control, or (ii) within three (3) months prior to the date of the Change in Control as a part of the such Change in Control, as a result of Involuntary Termination or Voluntary Termination, the Executive shall be entitled to a lump sum cash payment equal to **[two (2) times/one (1) times]** the Executive’s total annual salary for the calendar year preceding the calendar year in which the Executive’s employment is terminated and the last bonus paid to the Executive. The payment to the Executive shall be made not later than fifteen (15) days after his termination of employment.

(d) For the purposes of this Paragraph 1, the following terms shall have the meanings set forth below:

(i) The term “**Change in Control**” shall mean (1) the acquisition, directly or indirectly, by any “person” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, (excluding any “person” who on the date hereof owns or controls 10% or more of the voting power of the Company’s Common Stock), of securities of the Company representing an aggregate of twenty-five percent (25%) or more of the combined voting power of the Company’s then outstanding securities within any twelve (12) month period; provided, that for purposes of this definition, “acquisition” shall not include shares which are received by a person through gift, inheritance, under a will or otherwise through the laws of descent and distribution; (2) during any period of two consecutive years, individuals who at the beginning of such period constitute the Company’s Board, cease for any reason to constitute at least a majority thereof, unless the election of each new director was approved in advance by a vote of at least a majority of the directors then still in office who were directors at the beginning of the period; or, (3) the occurrence of any other event or circumstance which is not covered by (1) or (2) above which the Company’s Board determines affects control of the Company and adopts a resolution that such event or circumstance constitutes a Change in Control for the purposes of this Agreement.

(ii) The term “**Cause**” shall mean and be limited to any act that constitutes, on the part of the Executive, fraud, dishonesty, a felony or gross malfeasance of duty and that directly results in material injury to the Bank.

(iii) The term “**Disability**” shall mean the Executive’s inability as a result of physical or mental incapacity to substantially perform his duties for the Bank on a full-time basis for a period of six (6) months.

(iv) The term “**Involuntary Termination**” shall mean termination of employment that is involuntary on the part of the Executive and that occurs for reasons other than for Cause, Disability, voluntary retirement (including early retirement) within the meaning of the Bank’s then current retirement plan, or death.

(v) The term “**Voluntary Termination**” shall mean termination of employment that is voluntary on the part of the Executive, and, in the judgment of the Executive, is due to (1) a reduction of the Executive’s responsibilities resulting solely from the assignment to the Executive of any duties inconsistent with his positions, duties or responsibilities as in effect immediately prior to the Change in Control; (2) a reduction in the Executive’s compensation (other than a reduction resulting from performance related bonuses, so long as such bonuses are paid under plans reasonably designed to avoid any such reduction except as the result of

relatively poor performance results) or the failure to provide substantially equivalent benefits, or (3) a forced relocation outside of Cobb or Cherokee Counties, Georgia or any adjacent county to either Cobb or Cherokee County (or Executive's principal assigned location prior to such change in control). A termination shall not be considered voluntary within the meaning of this Agreement if such termination is a result of Cause, Disability, voluntary retirement (including early retirement) within the meaning of the Bank's retirement plan, or death of the Executive.

**2. LIMITATION OF BENEFITS.**

(a) Notwithstanding anything in this Agreement to the contrary, if any of the compensation or benefits payable, or to be provided, to the Executive by the Bank under this Agreement are treated as Excess Severance Payments (whether alone or in conjunction with payments or benefits outside of this Agreement), the compensation and benefits provided under this Agreement shall be modified or reduced in the manner provided in subparagraph (b) below to the extent necessary so that the compensation and benefits payable or to be provided to Executive under this Agreement that are treated as Severance Payments, as well as any compensation or benefits provided outside of this Agreement that are so treated, shall not cause the Bank to have paid an Excess Severance Payment. In computing such amount, the parties shall take into account all provisions of Code Section 280G, and the regulations thereunder, including making appropriate adjustments to such calculation for amounts established to be Reasonable Compensation.

(b) In the event that the amount of any Severance Payments which would be payable to or for the benefit of the Executive under this Agreement must be modified or reduced to comply with this Paragraph, the Executive shall direct which Severance Payments are to be modified or reduced; provided, however, that no increase in the amount of any payment shall be made without the consent of the Bank.

(c) This Paragraph shall be interpreted so as to avoid the imposition of excise taxes on the Executive under Section 4999 of the Code or the disallowance of a deduction to the Bank pursuant to Section 280G(a) of Code with respect to amounts payable under this Agreement. In connection with any Internal Revenue Service examination, audit or other inquiry, the Bank and Executive agree to take action to provide, and to cooperate in providing, evidence to the Internal Revenue Service (and, if applicable, the state revenue department) that the compensation and benefits provided under this Agreement do not result in the payment of Excess Severance Payments.

(d) In addition to the limits otherwise provided in this Article, to the extent permitted by law the Executive may in his sole discretion elect to reduce (or change the timing of) any payments he may be eligible to receive under this Agreement to prevent the imposition of excise taxes on the Executive under Section 4999 of the Code or otherwise reduce or delay liability for taxes owed under the Code.

(e) For the purposes of this Paragraph 2, the following terms shall have the meanings set forth below:

(i) The term “*Excess Severance Payment*” shall have the same meaning as the term “excess parachute payment” defined in Section 280G(b)(1) of the Code.

(ii) The term “*Severance Payment*” shall have the same meaning as the term “parachute payment” defined in Section 280G(b)(2) of the Code.

(iii) The term “*Reasonable Compensation*” shall have the same meaning as provided in Section 280G(b)(4) of the Code.

### 3. COVENANTS OF EXECUTIVE.

(a) Executive agrees that during his employment by the Bank and for a period of **[two (2) years / one (1) year]** after the Date of Termination, he will not directly or indirectly, individually, or on behalf of any Person other than the Bank:

(i) solicit any Customers for the purpose of providing services identical to or reasonably substitutable for the Bank’s Business;

(ii) solicit or induce, or in any manner attempt to solicit or induce, any Person employed by the Bank or the Company to leave such employment, whether or not such employment is pursuant to a written contract with the Bank or the Company or is at will;

(iii) engage in the Bank’s Business within the Territory or accept employment or engagement within the Territory as a director, officer, executive, manager, or business consultant for any Person engaging in the Bank’s Business; or

(iv) knowingly or intentionally damage or destroy the goodwill and esteem of the Company, the Bank, the Bank’s Business or the Company’s or the Bank’s suppliers, employees, patrons, customers, and others who may at any time have or have had relations with the Company or the Bank.

(b) Executive agrees that during employment and thereafter he will not, except as necessary to carry out his duties as an employee of Bank, disclose or use Confidential Information. Executive further agrees that, upon termination or expiration of employment with the Bank for any reason whatsoever or at any time, Executive will upon request by the Bank deliver promptly to the Bank all materials (including electronically-stored materials), documents, plans, records, notes, or other papers, and any copies in Executive’s possession or control, relating in any way to the Bank’s Business, which at all times shall be the property of the Bank.

(c) For purposes of this Agreement, the following terms shall have the meanings specified below:

(i) “**Bank’s Business**” means the business of operating a commercial or retail bank, savings association, mutual thrift, credit union, trust, or other business or financial services organization or entity.

(ii) “**Confidential Information**” means information, without regard to form, relating to the Bank’s or the Company’s customers, operation, finances, and business that derives economic value, actual or potential, from not being generally known to other Persons, including, but not limited to, technical or non-technical data (including personnel data), formulas, patterns, compilations (including compilations of customer information), programs, devices, methods, techniques, processes, financial data or lists of actual or potential customers (including identifying information about customers), whether or not in writing. Confidential Information includes information disclosed to the Bank or the Company by third parties that the Bank or the Company is obligated to maintain as confidential. Confidential Information subject to this Agreement may include information that is not a trade secret under applicable law, but information not constituting a trade secret only shall be treated as Confidential Information under this Agreement for a two (2) year period after the Date of Termination.

(iii) “**Customers**” means all Persons that (1) Executive serviced or solicited on behalf of the Bank, (2) whose dealings with the Bank were coordinated or supervised, in whole or in part, by Executive, or (3) about whom Executive obtained Confidential Information, in each case during the term of this Agreement or while otherwise employed by the Bank.

(iv) “**Date of Termination**” means the date upon which the Executive’s employment with the Bank ceases for any reason.

(v) “**Person**” means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other entity.

(vi) “**Territory**” means Cobb and Cherokee Counties, Georgia and any adjacent county to either Cobb County or Cherokee County.

#### 4. **MISCELLANEOUS.**

(a) This Agreement shall be binding upon, and inure to the benefit of, the Executive and his executors, representatives and assigns, and the Bank and its successors and assigns.

(b) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia.

(c) This Agreement shall not be construed as giving to the Executive the right to be retained in the employ of the Bank or any of its affiliates.

(d) This Agreement may only be amended by an instrument in writing executed by both of the parties.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date first above written.

**EXECUTIVE:**

**UNITED COMMUNITY BANK**

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## APPENDIX B

### GEORGIA DISSENTERS' RIGHTS STATUTE

#### 14-2-1301. Definitions.

As used in this article, the term:

- (1) "Beneficial shareholder" means the person who is a beneficial owner of shares held in a voting trust or by a nominee as the record shareholder.
- (2) "Corporate action" means the transaction or other action by the corporation that creates dissenters' rights under Code Section 14-2-1302.
- (3) "Corporation" means the issuer of shares held by a dissenter before the corporate action, or the surviving or acquiring corporation by merger or share exchange of that issuer.
- (4) "Dissenter" means a shareholder who is entitled to dissent from corporate action under Code Section 14-2-1302 and who exercises that right when and in the manner required by Code Sections 14-2-1320 through 14-2-1327.
- (5) "Fair value," with respect to a dissenter's shares, means the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action.
- (6) "Interest" means interest from the effective date of the corporate action until the date of payment, at a rate that is fair and equitable under all the circumstances.
- (7) "Record shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.
- (8) "Shareholder" means the record shareholder or the beneficial shareholder. (Code 1981, § 14-2-1301, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1993, p.1231, § 16.)

#### 14-2-1302. Right to dissent.

- (a) A record shareholder of the corporation is entitled to dissent from, and obtain payment of the fair value of his or her shares in the event of, any of the following corporate actions:
  - (1) Consummation of a plan of merger to which the corporation is a party:
    - (A) If approval of the shareholders of the corporation is required for the merger by Code Section 14-2-1103 or the articles of incorporation and the shareholder is entitled to vote on the merger, unless:
      - (i) The corporation is merging into a subsidiary corporation pursuant to Code Section 14-2-1104;
      - (ii) Each shareholder of the corporation whose shares were outstanding immediately prior to the effective time of the merger shall receive a like number of shares of the surviving corporation, with designations, preferences, limitations and relative rights identical to those previously held by each shareholder; and





(iii) The number and kind of shares of the surviving corporation outstanding immediately following the effective time of the merger, plus the number and kind of shares issuable as a result of the merger and by conversion of securities issued pursuant to the merger, shall not exceed the total number and kind of shares of the corporation authorized by its articles of incorporation immediately prior to the effective time of the merger; or

(B) If the corporation is a subsidiary that is merged with its parent under Code Section 14-2-1104;

(2) Consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan;

(3) Consummation of a sale or exchange of all or substantially all of the property of the corporation if a shareholder vote is required on the sale or exchange pursuant to Code Section 14-2-1202, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale;

(4) An amendment of the articles of incorporation with respect to a class or series of shares that reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under Code Section 14-2-604; or

(5) Any corporate action taken pursuant to a shareholder vote to the extent that Article 9 of this chapter, the articles of incorporation, bylaws, or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

(b) A shareholder entitled to dissent and obtain payment for his shares under this article may not challenge the corporate action creating his or her entitlement unless the corporate action fails to comply with procedural requirements of this chapter or the articles of incorporation or bylaws of the corporation or the vote required to obtain approval of the corporate action was obtained by fraudulent and deceptive means, regardless of whether the shareholder has exercised dissenter's rights.

(c) Notwithstanding any other provision of this article, there shall be no right of dissent in favor of the holder of shares of any class or series which, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at a meeting at which a plan of merger or share exchange or a sale or exchange of property or an amendment of the articles of incorporation is to be acted on, were either listed on a national securities exchange or held of record by more than 2,000 shareholders, unless:

(1) In the case of a plan of merger or share exchange, any holders of shares of the class or series are required under the plan of merger or share exchange to accept for their shares:

(A) Anything except shares of the surviving corporation or another publicly held corporation which at the effective date of the merger or share exchange are either listed on a national securities exchange or held of record by more than 2,000 shareholders, except for scrip or cash payments in lieu of fractional shares; or

(B) Any shares of the surviving corporation or another publicly held corporation which at the effective date of the merger or share exchange are either listed on a national securities exchange or held of record by more than 2,000 shareholders that are different, in type or exchange ratio per share, from the shares to be provided or offered to any other holder of shares of the same class or series of shares in exchange for such shares; or

(2) The articles of incorporation or a resolution of the board of directors approving the transaction provides otherwise. (Code 1981, § 14-2-1302, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1989, p. 946, § 58; Ga. L. 1999, p. 405, § 11; Ga. L. 2003, p. 897, § 11.)

**14-2-1303. Dissent by nominees and beneficial owners.**

A record shareholder may assert dissenters' rights as to fewer than all the shares registered in his name only if he dissents with respect to all shares beneficially owned by any one beneficial shareholder and notifies the corporation in writing of the name and address of each person on whose behalf he asserts dissenters' rights. The rights of a partial dissenter under this Code section are determined as if the shares as to which he dissents and his other shares were registered in the names of different shareholders. (Code 1981, § 14-2-1303, enacted by Ga. L. 1988, p. 1070, § 1.)

**14-2-1320. Notice of dissenters' rights.**

(a) If proposed corporate action creating dissenters' rights under Code Section 14-2-1302 is submitted to a vote at a shareholders' meeting, the meeting notice must state that shareholders are or may be entitled to assert dissenters' rights under this article and be accompanied by a copy of this article.

(b) If corporate action creating dissenters' rights under Code Section 14-2-1302 is taken without a vote of shareholders, the corporation shall notify in writing all shareholders entitled to assert dissenters' rights that the action was taken and send them the dissenters' notice described in Code Section 14-2-1322 no later than ten days after the corporate action was taken. (Code 1981, § 14-2-1320, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1993, p. 1231, § 17.)

**14-2-1321. Notice of intent to demand payment.**

(a) If proposed corporate action creating dissenters' rights under Code Section 14-2-1302 is submitted to a vote at a shareholders' meeting, a record shareholder who wishes to assert dissenters' rights:

(1) Must deliver to the corporation before the vote is taken written notice of his intent to demand payment for his shares if the proposed action is effectuated; and

(2) Must not vote his shares in favor of the proposed action.

(b) A record shareholder who does not satisfy the requirements of subsection (a) of this Code section is not entitled to payment for his shares under this article. (Code 1981, § 14-2-1321, enacted by Ga. L. 1988, p. 1070, § 1.)

**14-2-1322. Dissenters' notice.**

(a) If proposed corporate action creating dissenters' rights under Code Section 14-2-1302 is authorized at a shareholders' meeting, the corporation shall deliver a written dissenters' notice to all shareholders who satisfied the requirements of Code Section 14-2-1321.

(b) The dissenters' notice must be sent no later than ten days after the corporate action was taken and must:

(1) State where the payment demand must be sent and where and when certificates for certificated shares must be deposited;

(2) Inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received;

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- (3) Set a date by which the corporation must receive the payment demand, which date may not be fewer than 30 nor more than 60 days after the date the notice required in subsection (a) of this Code section is delivered; and
- (4) Be accompanied by a copy of this article. (Code 1981, § 14-2-1322, enacted by Ga. L. 1988, p. 1070, § 1.)

**14-2-1323. Duty to demand payment.**

- (a) A record shareholder sent a dissenters' notice described in Code Section 14-2-1322 must demand payment and deposit his certificates in accordance with the terms of the notice.
- (b) A record shareholder who demands payment and deposits his shares under subsection (a) of this Code section retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action.
- (c) A record shareholder who does not demand payment or deposit his share certificates where required, each by the date set in the dissenters' notice, is not entitled to payment for his shares under this article. (Code 1981, § 14-2-1323, enacted by Ga. L. 1988, p. 1070, § 1.)

**14-2-1324. Share restrictions.**

- (a) The corporation may restrict the transfer of uncertificated shares from the date the demand for their payment is received until the proposed corporate action is taken or the restrictions released under Code Section 14-2-1326.
- (b) The person for whom dissenters' rights are asserted as to uncertificated shares retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action. (Code 1981, § 14-2-1324, enacted by Ga. L. 1988, p. 1070, § 1.)

**14-2-1325. Offer of payment.**

- (a) Except as provided in Code Section 14-2-1327, within ten days of the later of the date the proposed corporate action is taken or receipt of a payment demand, the corporation shall by notice to each dissenter who complied with Code Section 14-2-1323 offer to pay to such dissenter the amount the corporation estimates to be the fair value of his or her shares, plus accrued interest.
- (b) The offer of payment must be accompanied by:
  - (1) The corporation's balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, an income statement for that year, a statement of changes in shareholders' equity for that year, and the latest available interim financial statements, if any;
  - (2) A statement of the corporation's estimate of the fair value of the shares;
  - (3) An explanation of how the interest was calculated;
  - (4) A statement of the dissenter's right to demand payment under Code Section 14-2-1327; and
  - (5) A copy of this article.

(c) If the shareholder accepts the corporation's offer by written notice to the corporation within 30 days after the corporation's offer or is deemed to have accepted such offer by failure to respond within said 30 days, payment for his or her shares shall be made within 60 days after the making of the offer or the taking of the proposed corporate action, whichever is later. (Code 1981, § 14-2-1325, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1989, p. 946, § 59; Ga. L. 1993, p. 1231, § 18.)

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**14-2-1326. Failure to take action.**

(a) If the corporation does not take the proposed action within 60 days after the date set for demanding payment and depositing share certificates, the corporation shall return the deposited certificates and release the transfer restrictions imposed on uncertificated shares.

(b) If, after returning deposited certificates and releasing transfer restrictions, the corporation takes the proposed action, it must send a new dissenters' notice under Code Section 14-2-1322 and repeat the payment demand procedure. (Code 1981, § 14-2-1326, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1990, p. 257, § 20.)

**14-2-1327. Procedure if shareholder dissatisfied with payment or offer.**

(a) A dissenter may notify the corporation in writing of his own estimate of the fair value of his shares and amount of interest due, and demand payment of his estimate of the fair value of his shares and interest due, if:

(1) The dissenter believes that the amount offered under Code Section 14- 2-1325 is less than the fair value of his shares or that the interest due is incorrectly calculated; or

(2) The corporation, having failed to take the proposed action, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within 60 days after the date set for demanding payment.

(b) A dissenter waives his or her right to demand payment under this Code section and is deemed to have accepted the corporation's offer unless he or she notifies the corporation of his or her demand in writing under subsection (a) of this Code section within 30 days after the corporation offered payment for his or her shares, as provided in Code Section 14-2-1325.

(c) If the corporation does not offer payment within the time set forth in subsection (a) of Code Section 14-2-1325:

(1) The shareholder may demand the information required under subsection (b) of Code Section 14-2-1325, and the corporation shall provide the information to the shareholder within ten days after receipt of a written demand for the information; and

(2) The shareholder may at any time, subject to the limitations period of Code Section 14-2-1332, notify the corporation of his own estimate of the fair value of his shares and the amount of interest due and demand payment of his estimate of the fair value of his shares and interest due. (Code 1981, § 14-2-1327, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1989, p. 946, § 60; Ga. L. 1990, p. 257, § 21; Ga. L. 1993, p. 1231, § 19.)

**14-2-1330. Court action.**

(a) If a demand for payment under Code Section 14-2-1327 remains unsettled, the corporation shall commence a proceeding within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the 60 day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(b) The corporation shall commence the proceeding, which shall be a nonjury equitable valuation proceeding, in the superior court of the county where a corporation's registered office is located. If the surviving corporation is a foreign corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the registered office of the domestic corporation merged with or whose shares were acquired by the foreign corporation was located.

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(c) The corporation shall make all dissenters, whether or not residents of this state, whose demands remain unsettled parties to the proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation shall serve a copy of the petition in the proceeding upon each dissenting shareholder who is a resident of this state in the manner provided by law for the service of a summons and complaint, and upon each nonresident dissenting shareholder either by registered or certified mail or statutory overnight delivery or by publication, or in any other manner permitted by law.

(d) The jurisdiction of the court in which the proceeding is commenced under subsection (b) of this Code section is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them or in any amendment to it. Except as otherwise provided in this chapter, Chapter 11 of Title 9, known as the "Georgia Civil Practice Act," applies to any proceeding with respect to dissenters' rights under this chapter.

(e) Each dissenter made a party to the proceeding is entitled to judgment for the amount which the court finds to be the fair value of his shares, plus interest to the date of judgment. (Code 1981, § 14-2-1330, enacted by Ga. L. 1988, p. 1070, § 1; Ga. L. 1989, p. 946, § 61; Ga. L. 1993, p. 1231, § 20; Ga. L. 2000, p. 1589, § 3.)

#### **14-2-1331. Court costs and counsel fees.**

(a) The court in an appraisal proceeding commenced under Code Section 14- 2-1330 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court, but not including fees and expenses of attorneys and experts for the respective parties. The court shall assess the costs against the corporation, except that the court may assess the costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under Code Section 14-2-1327.

(b) The court may also assess the fees and expenses of attorneys and experts for the respective parties, in amounts the court finds equitable:

(1) Against the corporation and in favor of any or all dissenters if the court finds the corporation did not substantially comply with the requirements of Code Sections 14-2-1320 through 14-2-1327; or

(2) Against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this article.

(c) If the court finds that the services of attorneys for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to these attorneys reasonable fees to be paid out of the amounts awarded the dissenters who were benefited. (Code 1981, § 14-2-1331, enacted by Ga. L. 1988, p. 1070, § 1.)

#### **14-2-1332. Limitation of actions.**

No action by any dissenter to enforce dissenters' rights shall be brought more than three years after the corporate action was taken, regardless of whether notice of the corporate action and of the right to dissent was given by the corporation in compliance with the provisions of Code Section 14-2-1320 and Code Section 14-2-1322. (Code 1981, § 14-2-1332, enacted by Ga. L. 1988, p. 1070, § 1.)





**APPENDIX C**

**FAIRNESS OPINION**

[LETTERHEAD OF THE CARSON MEDLIN COMPANY]

September 5, 2006

Board of Directors  
Southern Bancorp, Inc.  
200 Cherokee Street  
Marietta, Georgia 30060

Members of the Board:

We understand that Southern Bancorp, Inc. and its wholly-owned subsidiary Southern National Bank (collectively the “Company”) have entered into an Agreement and Plan of Reorganization dated September 5, 2006 (the “Agreement”) with United Community Banks, Inc. (“United”) (the “Merger”). Under the terms of the Agreement, each of the issued and outstanding shares of the Company’s common stock shall be converted into the right to receive 1.1791 shares of United common stock (the “Conversion Ratio”). You have requested our opinion as to the fairness, from a financial point of view, of the Conversion Ratio to be received by the Company’s shareholders under the terms of the Agreement. The foregoing summary of the Merger is qualified in its entirety by reference to the Agreement.

The Carson Medlin Company is a National Association of Securities Dealers, Inc. (NASD) member investment banking firm, which specializes in the securities of financial institutions in the United States. As part of our investment banking activities, we are regularly engaged in the valuation of financial institutions in the United States and transactions relating to their securities. We regularly publish our research on independent community banks regarding their financial and stock price performance. We are familiar with the commercial banking industry in Georgia and the major commercial banks operating in that market. We will receive a fee for our services as financial advisor to Southern Bancorp, Inc. and for rendering this opinion. We do not have an investment banking relationship with United; nor does it have any contractual relationship with United.

In reaching our opinion, we have analyzed the respective financial positions, both current and historical, of United and the Company. We have reviewed: (i) the Agreement; (ii) audited financial statements of United for the five years ended December 31, 2005; (iii) audited financial statements of the Company for five years ended December 31, 2005; (iv) unaudited financial statements of United for the six months ended June 30, 2006; (v) unaudited financial statements of the Company for the six months ended June 30, 2006; and (vi) certain other financial and operating information with respect to the business, operations and prospects of United and the Company. We also: (a) held discussions with members of managements of both United and the

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Board of Directors  
Southern Bancorp, Inc.  
September 5, 2006  
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Company regarding historical and current business operations, financial condition and future prospects of their respective companies; (b) reviewed the historical market prices and trading activity for the common stocks of both United and the Company and compared that to similar data of certain publicly-traded companies which we deemed to be relevant; (c) compared the results of operations of United and the Company with those of certain banking companies which we deemed to be relevant; (d) compared the proposed financial terms of the Merger with the financial terms, to the extent publicly available, of certain other recent business combinations of commercial banking organizations; and (e) conducted such other studies, analyses, inquiries and examinations as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided to us. We have not performed or considered any independent appraisal or evaluation of the assets of the Company. The opinion we express herein is necessarily based upon market, economic and other relevant considerations as they exist and can be evaluated as of the date of this letter.

Based upon the foregoing, it is our opinion that the Conversion Ratio provided for in the Agreement is fair, from a financial point of view, to the shareholders of Southern Bancorp, Inc.

Very truly yours,

/s/ The Carson Medlin Company

THE CARSON MEDLIN COMPANY

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## PART II.

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 20. Indemnification of Directors and Officers.

United's Articles of Incorporation, as amended, provide that no director of United shall be personally liable to United or its shareholders for breach of his or her duty of care or other duty as a director, but only to the extent permitted from time to time by the Georgia Business Corporation Code.

United's Bylaws require it to indemnify its directors, officers, employees, and agents against judgments, fines, penalties, amounts paid in settlement, and expenses, including attorney's fees, resulting from various types of legal actions or proceedings instituted by third parties if the actions of the director, officer, employee, or agent being indemnified meet the standards of conduct specified therein.

In addition, United's Bylaws require it to indemnify its directors, officers, employees, and agents for expenses actually and reasonably incurred in connection with legal actions or proceedings instituted by or in the right of United to procure a judgment in its favor, if the actions of the director, officer, employee, or agent being indemnified meet the standards of conduct set forth therein. However, United will not indemnify a director, officer, employee, or agent for such expenses if such person is adjudged liable to United, unless so ordered by the court in which the legal action or proceeding is brought.

A determination concerning whether or not the applicable standard of conduct has been met by a director, officer, employee, or agent seeking indemnification must be made by (1) a disinterested majority of the board of directors, (2) United's legal counsel, if a quorum of disinterested directors is not obtainable or if the disinterested directors so order, or (3) an affirmative vote of a majority of shares held by the shareholders. No indemnification may be made to or on behalf of a director, officer, employee or agent in connection with any other proceeding in which such person was adjudged liable on the basis that personal benefit was improperly received by him or her.

As provided under Georgia law, the liability of a director may not be eliminated or limited (1) for any appropriation, in violation of his duties, of any business opportunity of United, (2) for acts or omissions which involve intentional misconduct or a knowing violation of law, (3) for unlawful corporate distributions, or (4) for any transaction from which the director received an improper benefit.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to United's directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, United has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

United's directors and officers are insured against losses arising from any claim against them as such for wrongful acts or omissions, subject to certain limitations.

**Item 21. Exhibits and Financial Statement Schedules.**

(a) Exhibits.

<b>Exhibit No.</b>	<b>Exhibit</b>
2.1	Agreement and Plan of Reorganization, dated as of September 5, 2006, by and between United and Southern.
3.1	Restated Articles of Incorporation of United Community Banks, Inc., (incorporated herein by reference to Exhibit 3.1 to United Community Banks, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, File No. 0-21656, filed with the Commission on August 14, 2001).
3.2	Amendment to the Restated Articles of Incorporation of United Community Banks, Inc. (incorporated herein by reference to Exhibit 3.3 to United Community Banks, Inc.'s Registration Statement on Form S-4, File No. 333-118893, filed with the Commission on September 9, 2004).
3.3	Amended and Restated Bylaws of United Community Banks, Inc., dated September 12, 1997 (incorporated herein by reference to Exhibit 3.1 to United Community Banks, Inc.'s Annual Report on Form 10-K, for the year ended December 31, 1997, File No. 0-21656, filed with the Commission on March 27, 1998).
4.1	See Exhibits 3.1, 3.2 and 3.2 for provisions of Restated Articles of Incorporation, as amended, and Amended and Restated ByLaws, which define the rights of the Shareholders.
4.2	Junior Subordinated Indenture between United Community Banks, Inc. and The Chase Manhattan Bank, as Trustee, dated as of July 20, 1998 (incorporated herein by reference to Exhibit 4.1 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.3	Form of Certificate of Junior Subordinated Debenture (incorporated herein by reference to Exhibit 4.2 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.4	Certificate of Trust of United Community Capital Trust (incorporated herein by reference to Exhibit 4.3 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.5	Amended and Restated Trust Agreement among United Community Banks, Inc., as depositor, The Chase Manhattan Bank, as Property Trustee, and Chase Manhattan Bank Delaware, as Delaware Trustee, dated as of July 20, 1998 (incorporated herein by reference to Exhibit 4.4 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.6	Form of New Capital Security Certificate for United Community Capital Trust (incorporated herein by reference to Exhibit 4.5 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.7	

Guarantee Agreement between United Community Banks, Inc., as Guarantor, and The Chase Manhattan Bank, as Guarantee Trustee, dated as of July 20, 1998 (incorporated herein by reference to Exhibit 4.6 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).

<b>Exhibit No.</b>	<b>Exhibit</b>
4.8	Registration Rights Agreement dated July 20, 1998 among United Community Banks, Inc., United Community Capital Trust and Wheat First Securities, Inc. as Initial Purchaser of 8.125% Junior Subordinated Deferrable Interest Debentures Due July 15, 2028 (incorporated herein by reference to Exhibit 4.7 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
4.9	Form of Floating Rate Convertible Subordinated Payable In Kind Debenture due December 31, 2006 (incorporated herein by reference to Exhibit 4.2 to United's Registration Statement on Form S-1, File No. 333-20887, filed with the Commission on January 31, 1997).
4.10	Indenture, dated November 26, 2002, by and between United and Marshall & Ilsley Trust Company, N.A., as Trustee (incorporated herein by reference to Exhibit 4.9 to United's Registration Statement on Form S-4/A, File No. 333-103024, filed with the Commission on February 21, 2003).
4.11	Form of 6.75% Subordinated Notes due 2012 (incorporated herein by reference to Exhibit 4.10 to United's Registration Statement on Form S-4/A, File No. 333-103024, filed with the Commission on February 21, 2003).
4.12	Indenture, dated September 24, 2003, by and between United and Marshall & Ilsley Trust Company, N.A. as Trustee (incorporated herein by reference to Exhibit 4.12 to United's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 0-21656).
4.13	Form of Subordinated Step-up Notes due 2015 (incorporated herein by reference to Exhibit 4.13 to United's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 0-21656).
4.1	Junior Subordinated Indenture between United Community Banks, Inc. and The Chase Manhattan Bank, as Trustee, dated as of July 20, 1998 (incorporated herein by reference to Exhibit 4.1 to United's Registration Statement on Form S-4, File No. 333-64911, filed with the Commission on September 30, 1998).
5.1	Opinion and Consent of Kilpatrick Stockton, LLP.
8.1	Opinion and Consent of Kilpatrick Stockton, LLP as to the federal income tax consequences to the merger of United and Southern.
23.1	Consent of Porter Keadle Moore, LLP.
23.2	Consent of Kilpatrick Stockton, LLP (included as part of Exhibits 5 and 8).
23.3	Consent of The Carson Medlin Company.
24.1	Power of Attorney (included on the Signature Page to this Registration Statement).
99.1	Form of Proxy.

(b) Financial Statement Schedules: No financial statements schedules are required to be filed as part of this Registration Statement.

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(c) Report, Opinion or Appraisal: The opinion of The Carson Medlin Company is included as Appendix C to the materials filed as a part of this Registration Statement.

## Item 22. Undertakings

(a) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial *bona fide* offering thereof.

(b) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(c) The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(d) The undersigned registrant hereby undertakes that every prospectus (i) that is filed pursuant to paragraph (a) immediately preceding, or (ii) that purports to meet the requirements of section 10(a)(3) of the Securities Act of 1933, as amended, and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(e) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(f) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(g) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has

been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the

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event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, United Community Banks, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Blairsville, State of Georgia, on October 5, 2006.

### UNITED COMMUNITY BANKS, INC.

By: /s/ Jimmy C. Tallent  
Jimmy C. Tallent  
President and Chief Executive Officer

Know all men by these presents, that each person whose signature appears below constitutes and appoints Jimmy C. Tallent and Robert L. Head, Jr., or either of them, as attorney-in-fact, with each having the power of substitution, for him in any and all capacities, to sign any amendments to this Registration Statement on Form S-4 and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on October 5, 2006.

Signature	Title
<u>/s/ Jimmy C. Tallent</u> Jimmy C. Tallent	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Rex S. Schuette</u> Rex S. Schuette	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Alan H. Kumler</u> Alan H. Kumler	Senior Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Robert L. Head, Jr.</u> Robert L. Head, Jr.	Chairman of the Board
<u>/s/ W. C. Nelson, Jr.</u> W.C. Nelson, Jr.	Vice Chairman of the Board
<u>/s/ A. William Bennett</u>	Director

A. William Bennett

/s/ Robert Blalock

Director

Robert Blalock

[signatures continued on next page]

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[signatures continued from previous page]

/s/ Guy W. Freeman Director

Guy W. Freeman

/s/ Thomas C. Gilliland Director

Thomas C. Gilliland

/s/ Charles Hill Director

Charles Hill

/s/ Hoyt O. Holloway Director

Hoyt O. Holloway

/s/ Clarence W. Mason, Sr. Director

Clarence W. Mason, Sr.

/s/ Tim Wallis Director

Tim Wallis

EXHIBIT INDEX

Exhibit	Description of Exhibit
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8.1	Opinion and Consent of Kilpatrick Stockton, LLP as to the federal income tax consequences to the merger of United and Southern.
23.1	Consent of Porter Keadle Moore, LLP.
23.2	Consent of Kilpatrick Stockton, LLP (included as part of Exhibit 5).
23.3	Consent of The Carson Medlin Company.
24.1	Power of Attorney (included on the Signature Page to this Registration Statement).
99.1	Form of Proxy.

