SALEM COMMUNICATIONS CORP /DE/
Form 8-K
June 26, 2007

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 25, 2007

SALEM COMMUNICATIONS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	**000-26497**	**77-0121400**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4880 Santa Rosa Road, Camarillo, California	**93012**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (805) 987-0400

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ]Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ]Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ]Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ]Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 14, 2007, the Board of Directors of Salem Communications Corporation (the “Company”) approved a reorganization of certain of its senior management positions which involved the resignation, reassignment or appointment of the following executive officers (the “Reorganization”), all effective as of July 1, 2007:

- Edward G. Atsinger III will resign from his position as President of the Company and retain his position as Chief Executive Officer;
- Eric H. Halvorson, who is currently a Director of the Company, was appointed President and Chief Operating Officer of the Company;
- Joe D. Davis will resign from his position as Chief Operating Officer of the Company and be promoted as the Company’s new President – Radio Division;
- David A.R. Evans will resign from his position as Chief Financial Officer and be promoted as the Company’s new President – New Business Development, Interactive and Publishing; and
- Evan D. Masyr, who is currently Vice President—Accounting and Finance of the Company, was promoted as the Company’s Senior Vice President and Chief Financial Officer.

Mr. Halvorson, age 58, has been a director of the Company since 1988. Mr. Halvorson, from 2005 to the present, was Executive in Residence at Pepperdine University, where he held a joint teaching appointment to the undergraduate Business Division and the Pepperdine Law School. Mr. Halvorson was President and Chief Executive Officer of The Thomas Kinkade Company from 2003 to 2005. Mr. Halvorson was also a Visiting Professor at Pepperdine University from 2000 to 2003. Mr. Halvorson was Chief Operating Officer of the Company from 1995 to 2000 and Executive Vice President of the Company from 1991 to 2000. From 1991 to 2000, Mr. Halvorson also served as General Counsel to the Company. Mr. Halvorson was the managing partner of the law firm of Godfrey & Kahn, S.C.-Green Bay from 1988 until 1991. From 1985 to 1988, he was Vice President and General Counsel of the Company. From 1976 until 1985, he was an associate and then a partner of Godfrey & Kahn, S.C.-Milwaukee. Mr. Halvorson was a Certified Public Accountant with Arthur Andersen & Co. from 1971 to 1973. Mr. Halvorson is a member of the board of directors of Intuitive Surgical, Inc. and Pastors’ Retreat Network.

Mr. Masyr, age 35, has been Vice President—Accounting and Finance of the Company since September 2005. From March 2004 to September 2005, Mr. Masyr was the Company’s Vice President of Accounting and Corporate Controller. Prior to that time, Mr. Masyr was Vice President and Corporate Controller of the Company from January 2003 to March 2004. From February 2000 to December 2002, he served as the Company’s Controller. From 1993 to February 2000, Mr. Masyr worked for PricewaterhouseCoopers LLP (formerly, Coopers & Lybrand LLP). Mr. Masyr has been a Certified Public Accountant since 1995.

In connection with the Reorganization, the Compensation Committee (the “Committee”) of the Board of Directors of the Company approved the terms of, and Salem Communications Holding Corporation, a wholly-owned subsidiary of the Company (“HoldCo”), and the persons identified below entered into new employment agreements as follows:

New Employment Agreement with *Stuart W. Epperson*

On June 25, 2007, the Compensation Committee (the "Committee") of the Board of Directors of the Company approved the terms of, and HoldCo and Mr. Epperson entered into, a new employment agreement pursuant to which Mr. Epperson will continue to serve as the Company's Chairman of the Board. Mr. Epperson's current employment agreement with HoldCo is scheduled to expire on June 30, 2007. The term of Mr. Epperson's new employment agreement will commence on July 1, 2007, and continue until June 30, 2010.

The employment agreement provides that Mr. Epperson will receive a base salary of $550,000 in the first year of the term (from July 1, 2007 through June 30, 2008), $525,000 in the second year of the term (from July 1, 2008 through June 30, 2009) and $200,000 in the third year of the term (from July 1, 2009 through June 30, 2010). Mr. Epperson will also be eligible for an annual merit bonus in an amount to be determined at the discretion of the Company's Board of Directors.

Additional benefits under Mr. Epperson's employment agreement include: (a) a supplemental health benefit covering 100% of the cost of the employee portion of the monthly group health care premiums for Mr. Epperson, his spouse and his dependents, (b) an automobile allowance, (c) the right to receive the death benefit on a split-dollar life insurance policy pursuant to a separate Split Dollar Life Insurance Agreement entered into by Mr. Epperson and the Company, and (d) payment by the Company for all regulatory filing fees associated with the exercise of stock options by Mr. Epperson (including full reimbursement for any income or employment taxes applicable to the payment of such fees).

Mr. Epperson's employment agreement generally provides that if Mr. Epperson's employment is terminated as a result of a "disability" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Epperson the accrued portion of his salary and bonus through the termination date of the employment agreement, (b) pay a severance equal to 100% of Mr. Epperson's then-current base salary for a period of 15 months without offset of any disability payments Mr. Epperson may receive, and (c) as of the termination date, accelerate 100% of the vesting of any then unvested or time-vested stock options previously granted to Mr. Epperson by the Company.

If Mr. Epperson's employment is terminated without "cause" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Epperson as severance an amount equal to his then base salary for six months or the remainder of the term of the employment agreement, whichever period is longer, and (b) if Mr. Epperson dies prior to the expiration of the term, pay his estate an amount equal to the accrued portion of any salary or bonus for Mr. Epperson through the termination date as well as continued coverage under the Company's benefit plans or programs for a period of twelve months from the termination date.

Mr. Epperson's employment agreement is filed herewith as Exhibit 10.1 and is incorporated herein by reference into this Item 5.02.

New Employment Agreement with *Edward G. Atsinger III*

On June 25, 2007, the Committee approved the terms of, and HoldCo and Mr. Atsinger entered into, a new employment agreement pursuant to which Mr. Atsinger will continue to serve as the Company's Chief Executive Officer. Mr. Atsinger's current employment agreement with HoldCo is scheduled to expire on June 30, 2007. The term of Mr. Atsinger's new employment agreement will commence on July 1, 2007, and continue until June 30, 2010.

The employment agreement provides that Mr. Atsinger will receive a base salary of $750,000 in the first year of the term (from July 1, 2007 through June 30, 2008), $850,000 in the second year of the term (from July 1, 2008 through June 30, 2009) and $850,000 in the third year of the term (from July 1, 2009 through June 30, 2010). Mr. Atsinger will also be eligible for an annual merit bonus in an amount to be determined at the discretion of the Company's Board of Directors.

Mr. Atsinger's employment agreement generally provides that if Mr. Atsinger's employment is terminated as a result of a "disability" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Atsinger the accrued portion of his salary and bonus through the termination date of the employment agreement, (b) pay a severance equal to 100% of Mr. Atsinger's then-current base salary for a period of 15 months without offset of any disability payments Mr. Atsinger may receive, and (c) as of the termination date, accelerate 100% of the vesting of any then unvested or time-vested stock options previously granted to Mr. Atsinger by the Company.

If Mr. Atsinger's employment is terminated without "cause" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Atsinger as severance an amount equal to his then base salary for six months or the remainder of the term of the employment agreement, whichever period is longer, (b) if Mr. Atsinger dies prior to the expiration of the term, pay his estate an amount equal to the accrued portion of any salary or bonus for Mr. Atsinger through the termination date as well as continued coverage under the Company's benefit plans or programs for a period of twelve months from the termination date.

Additional benefits under Mr. Atsinger's employment agreement include: (a) a supplemental health benefit covering 100% of the cost (including full reimbursement for 100% of all travel costs and any income or employment taxes applicable to this supplemental coverage) of all vision, health or dental expenses incurred by Mr. Atsinger that are not otherwise covered by the Company's medical benefits program, (b) an automobile allowance, (c) the right to receive the death benefit on a split-dollar life insurance policy pursuant to a separate Split Dollar Life Insurance Agreement entered into by Mr. Atsinger and the Company, and (d) payment by the Company for all regulatory filing fees associated with the exercise of stock options by Mr. Atsinger (including full reimbursement for any income or employment taxes applicable to the payment of such fees).

Mr. Atsinger's employment agreement is filed herewith as Exhibit 10.2 and is incorporated herein by reference into this Item 5.02.

New Employment Agreement with Eric H. Halvorson

On June 25, 2007, the Committee approved the terms of, and HoldCo and Mr. Halvorson entered into, a new employment agreement pursuant to which Mr. Halvorson will serve as the Company's President and Chief Operating Officer. The term of Mr. Halvorson's new employment agreement will commence on July 1, 2007, and continue until June 30, 2010.

The employment agreement provides that Mr. Halvorson will receive a base salary of $500,000 in the first year of the term (from July 1, 2007 through June 30, 2008), $525,000 in the second year of the term (from July 1, 2008 through June 30, 2009) and $550,000 in the third year of the term (from July 1, 2009 through June 30, 2010). Mr. Halvorson will also be eligible for an annual merit bonus in an amount to be determined at the discretion of the Company's Board of Directors.

Mr. Halvorson also received an option to purchase 45,000 shares of the Company's Class A Common Stock, which option shall vest annually in three equal installments commencing one year from June 25, 2007, the date of the option grant.

Mr. Halvorson's employment agreement generally provides that if his employment is terminated without "cause" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Halvorson as severance an amount equal to his then base salary for twelve months or the remainder of the term of the employment agreement, whichever period is shorter, (b) provide Mr. Halvorson with health insurance coverage for himself and his dependents for the remainder of the term of the employment agreement, and (c) as of the termination date, accelerate 100% of the vesting of any then unvested or time-vested stock options previously granted to Mr. Halvorson by the Company.

Additional benefits under Mr. Halvorson's employment agreement include a supplemental health benefit covering up to $2,000 per year for the costs of Mr. Halvorson's participation in a health care plan not otherwise provided by the Company.

Mr. Halvorson's employment agreement is filed herewith as Exhibit 10.3 and is incorporated herein by reference into this Item 5.02.

Change in Title, Change in Base Salary and Option Grant to Evan D. Masyr

On June 25, 2007, the Committee approved the promotion of Mr. Masyr whereby he will serve as Senior Vice President and Chief Financial Officer of the Company as of July 1, 2007. Mr. Masyr's employment by HoldCo will continue to be governed pursuant to an "at will" employment agreement entered into by HoldCo and Mr. Masyr as of January 1, 2005.

The Committee has also granted: (a) an increase in Mr. Masyr's base salary as of July 1, 2007 from $225,000 per year to $250,000 per year, and (b) an option to Mr. Masyr for the purchase of 20,000 shares of the Company's Class A Common Stock, which option shall vest annually in four equal installments commencing one year from June 25, 2007, the date of the option grant.

New Employment Agreement with Joe D. Davis

On June 25, 2007, the Committee approved the terms of, and HoldCo and Mr. Davis entered into, a new employment agreement pursuant to which Mr. Davis will serve as the Company's President – Radio Division. The term of Mr. Davis' new employment agreement will commence on July 1, 2007, and it is an "at will" agreement with no definite period of employment. On July 1, 2007, Mr. Davis' new employment agreement will supersede and replace the "at will" employment agreement entered into by HoldCo and Mr. Davis as of April 1, 2005.

The employment agreement provides that, as long as Mr. Davis remains continuously employed by HoldCo, he will receive a base salary paid at the rate of $415,000 effective as of July 1, 2007, a base salary paid at the rate of $430,000 effective as July 1, 2008, and a base salary paid at the rate of $450,000 effective as of July 1, 2009. Mr. Davis will also be eligible for an annual merit bonus in an amount to be determined at the discretion of the Company's Board of Directors.

Mr. Davis also received an option to purchase 10,000 shares of the Company's Class A Common Stock, which option shall vest annually in four equal installments commencing one year from June 25, 2007, the date of the option grant.

Mr. Davis' employment agreement generally provides that if his employment is terminated without "cause" (as defined in the employment agreement), HoldCo will: (a) pay Mr. Davis as severance an amount equal to his then base salary for twelve months or the period remaining between the termination date and June 30, 2010, whichever period is shorter, and (b) provide Mr. Davis with professional outplacement assistance for a period of 12 consecutive months from the termination date.

Mr. Davis' employment agreement is filed herewith as Exhibit 10.4 and is incorporated herein by reference into this Item 5.02.

Change in Title of David A. R. Evans

On June 25, 2007, the Committee approved the promotion of Mr. Evans whereby he will serve as the Company's President – New Business Development, Interactive and Publishing as of July 1, 2007. Mr. Evan's employment by HoldCo will continue to be governed pursuant to a three year term employment agreement entered into by HoldCo and Mr. Evans as of September 1, 2005.

A copy of the Company's press release providing more information about the Reorganization is attached to this Form 8-K as Exhibit 99.1.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On June 25, 2007, the Board of Directors of the Company amended and restated the Company's Bylaws effective as of the date of the board's action. The amended and restated Bylaws were approved by the Board of Directors to, among other things: (a) clarify the duties and responsibilities of the Chief Executive Officer, (b) permit the Company to appoint more than one officer with the title of President, (c) update the manner and method of providing notice of certain board and stockholder meetings, and (d) modify the parties who may serve as the Company's transfer agent, transfer clerk or registrar.

The amended and restated Bylaws are filed herewith as Exhibit 3.1 and are incorporated herein by reference into this Item 5.03.

Item 8.01 Other Events

In connection with the Reorganization, on June 25, 2007, the Board of Directors of the Company accepted the resignation of Mr. Halvorson as Chairman and member of the Audit Committee of the Board of Directors of the Company and his resignation as a member of the Nominating and Corporate Governance Committee of the Board of Directors of the Company, effective June 25, 2007. The Board also appointed Mr. Dennis M. Weinberg as Chairman of the Audit Committee and Mr. David Davenport as a member of the Audit Committee effective June 25, 2007.

Item 9.01 Financial Statements and Exhibits.

Item 9.01(c) Exhibits. The following exhibits are furnished with this report on Form 8-K:

Exhibit No.	Description
3.1	Amended and Restated Bylaws of Salem Communications Corporation
10.1	Employment Agreement with Stuart W. Epperson dated as of July 1, 2007
10.2	Employment Agreement with Edward G. Atsinger III dated as of July 1, 2007
10.3	Employment Agreement with Eric H. Halvorson dated as of July 1, 2007
10.4	Employment Agreement with Joe D. Davis dated as of July 1, 2007
99.1	Press release, dated June 25, 2007, of Salem Communications Corporation regarding reorganization of certain senior management positions

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SALEM COMMUNICATIONS CORPORATION

Date: June 25, 2007

By: /s/ JONATHAN L. BLOCK
Jonathan L. Block
Vice President and Secretary

EXHIBIT INDEX

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10.4	Employment Agreement with Joe D. Davis dated June as of July 1, 2007
99.1	Press release, dated June 25, 2007, of Salem Communications Corporation regarding reorganization of certain senior management positions

EXHIBIT 3.1

AMENDED AND RESTATED BYLAWS

OF

SALEM COMMUNICATIONS CORPORATION

(A DELAWARE CORPORATION)

ARTICLE I

CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of the corporation shall be fixed in the certificate of incorporation of the corporation.

1.2 OTHER OFFICES

The board of directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place within or outside the State of Delaware designated by the board of directors. In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the corporation.

2.2 ANNUAL MEETING

(a) The annual meeting of stockholders shall be held each year on a date and at a time designated by the board of directors. At the meeting, directors shall be elected, and any other proper business may be transacted.

(b) Nominations of persons for election to the board of directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the corporation's notice of meeting, (ii) by or at the direction of the board of directors or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in this bylaw, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 2.2.

(c) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 2.2(b) above, the stockholder must have given timely notice thereof in writing to the secretary of the corporation and such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such stockholder and of such beneficial owner, as they each appear on the corporation's books, and (y) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

2.3 SPECIAL MEETING

A special meeting of the stockholders may be called at any time by the board of directors, or by the chairman of the board, or by the chief executive officer. No other person or persons are permitted to call a special meeting.

2.4 NOTICE OF STOCKHOLDERS' MEETINGS

All notices of meetings of stockholders shall be sent or otherwise given in accordance with Section 2.6 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the purpose or purposes for which the meeting is called (no business other than that specified in the notice may be transacted) or (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the stockholders (but any proper matter may be presented at the meeting for such action). The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees who, at the time of the notice, the board intends to present for election.

2.5 CONDUCT OF MEETING

The board of directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the board, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the board or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

2.6 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE

Written notice of any meeting of stockholders shall be given either personally or by first-class mail, by electronic transmission consented to by the stockholder or other written communication. Notices not personally delivered shall be sent charges prepaid and shall be addressed to the stockholder at the address of that stockholder appearing on the books of the corporation or given by the stockholder to the corporation for the purpose of notice. Notice by mail shall be deemed to have been given at the time when delivered personally or deposited in the mail. Notice given by electronic transmission shall be deemed given (i) if by telefacsimile, when directed to a number at which the stockholder has consented to receive notice, (ii) if by e-mail, when directed to an e-mail address at which the stockholder has consented to receive notice, (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice, and (iv) if by any other form of electronic transmission, when directed to the stockholder. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission.

An affidavit of the mailing or other means of giving any notice of any stockholders' meeting, executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, shall be prima facie evidence of the giving of such notice.

2.7 QUORUM

The holders of a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairman of the meeting or (ii) the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting in accordance with this Section 2.7.

When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the laws of the State of Delaware or of the certificate of incorporation or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of the question.

If a quorum be initially present, the stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken is approved by a majority of the stockholders initially constituting the quorum.

2.8 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time and place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to the provisions of Sections 217 and 218 of the Delaware General Corporation Law (relating to voting rights of fiduciaries, pledgors and joint owners, and to voting trusts and other voting agreements).

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

2.10 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the Delaware General Corporation Law or of the certificate of incorporation or these bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice unless so required by the certificate of incorporation or these bylaws.

2.11 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING

For purposes of determining the stockholders entitled to notice of any meeting or to vote thereat or entitled to give consent to corporate action without a meeting, the board of directors may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which shall not be more than sixty (60) days nor less than ten (10) days before the date of any such meeting, nor more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the board of directors in the case of an action in writing without a meeting, and in such event only stockholders of record on the date so fixed are entitled to notice and to vote, notwithstanding any transfer of any shares on the books of the corporation after the record date.

If the board of directors does not so fix a record date, (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held, and (b) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be the first date on which a signed written consent setting forth the action to be taken is delivered to the corporation at its principal place of business or to the corporation's registered office in Delaware.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the board of directors fixes a new record date for the adjourned meeting, but the board of directors shall fix a new record date if the meeting is adjourned for more than thirty (30) days from the date set for the original meeting.

The record date for any other purpose shall be as provided in Section 8.1 of these bylaws.

2.12 PROXIES

Every person entitled to vote for directors, or on any other matter, shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation, but no such proxy shall be voted or acted upon after three (3) years from its date unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, telefacsimile, e-mail or otherwise) by the stockholder or the stockholder's attorney- in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the Delaware General Corporation Law.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

ARTICLE III
DIRECTORS

3.1 POWERS

Subject to the provisions of the Delaware General Corporation Law and any limitations in the certificate of incorporation and these bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of not less than six (6) nor more than fifteen (15) members, with the exact number within that range to be set from time to time exclusively by resolution of the board of directors.

3.3 ELECTION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Each director, including a director elected or appointed to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

3.4 RESIGNATION AND VACANCIES

Any director may resign effective on giving written notice to the chairman of the board, the chief executive officer, the secretary or the board of directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective.

All vacancies in the board of directors may be filled by a majority of the remaining directors, even if less than a quorum, or by a sole remaining director; provided, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Regular meetings of the board of directors may be held at any place within or outside the State of Delaware that has been designated from time to time by resolution of the board. In the absence of such a designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board may be held at any place within or outside the State of Delaware that has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, at the principal executive office of the corporation.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another; and all such directors shall be deemed to be present in person at the meeting.

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice if the times of such meetings are fixed by the board of directors. If any regular meeting day shall fall on a legal holiday, then the meeting shall be held next succeeding full business day.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board, the chief executive officer or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail, e-mail or telefacsimile, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by telephone, e-mail or telefacsimile, it shall be delivered personally or by telephone, e-mail or telefacsimile at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone, e-mail or telefacsimile may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose or the place of the meeting, if the meeting is to be held at the principal executive office of the corporation.

3.8 QUORUM

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 3.10 of these bylaws. Every act or decision done or made a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the certificate of incorporation and other applicable law.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 WAIVER OF NOTICE

Notice of a meeting need not be given to any director (i) who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or (ii) who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such directors. All such waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the board of directors.

3.10 ADJOURNMENT

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

3.11 NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than twenty-four (24) hours. If the meeting is adjourned for more than twenty-four (24) hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place, in the manner specified in Section 3.7 of these bylaws, to the directors who were not present at the time of the adjournment.

3.12 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Any action required or permitted to be taken by the board of directors may be taken without a meeting, provided that all members of the board individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent and any counterparts thereof shall be filed with the minutes of the proceedings of the board.

3.13 FEES AND COMPENSATION OF DIRECTORS

Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by resolution of the board of directors. This Section 3.13 shall not be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee or otherwise and receiving compensation for those services.

3.14 APPROVAL OF LOANS TO OFFICERS

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or any of its subsidiaries, including any officer or employee who is a director of the corporation or any of its subsidiaries, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing contained in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE IV

COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The board of directors may, by resolution adopted by a majority of the authorized number of directors, designate one (1) or more committees, each consisting of two or more directors, to serve at the pleasure of the board. The board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors. Any committee, to the extent provided in the resolution of the board, shall have and may exercise all the powers and authority of the board, but no such committee shall have the power or authority to:

(a) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval; or

(b) adopt, amend or repeal any bylaw of the corporation.

4.2 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these bylaws, Section 3.5 (place of meetings), Section 3.6 (regular meetings), Section 3.7 (special meetings; notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), Section 3.10 (adjournment), Section 3.11 (notice of adjournment), and Section 3.12 (action without meeting), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the board of directors, and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

4.3 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when requested.

ARTICLE V

OFFICERS

5.1 OFFICERS

The officers of the corporation shall be a chief executive officer, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board of directors, a chairman of the board, one or more presidents, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws. Any number of offices may be held by the same person.

5.2 ELECTION OF OFFICERS

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 or Section 5.5 of these bylaws, shall be chosen by the board, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or may empower the chief executive officer to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors at any regular or special meeting of the board or, except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office.

5.6 CHAIRMAN OF THE BOARD

The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the stockholders and the board of directors and shall exercise and perform such other powers and duties as may from time to time be assigned by the board of directors or as may be prescribed by these bylaws.

5.7 CHIEF EXECUTIVE OFFICER

Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the chief executive officer shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction, and control of the business and the officers of the corporation. In the absence or nonexistence of a chairman of the board, the chief executive officer shall preside at all meetings of the stockholders and all meetings of the board of directors. The chief executive officer shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

5.8 PRESIDENT(S)

In the absence or disability of the chief executive officer, the president, if any, and then the divisional president(s), if any, in order of their rank as fixed by the board of directors or, if not ranked, a president or divisional president designated by the board of directors, shall perform all the duties of the chief executive officer and when so acting shall have all the powers of, and be subject to all the restrictions upon, the chief executive officer. The president(s) shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors, these bylaws, the chief executive officer or the chairman of the board.

5.9 VICE PRESIDENTS

In the absence or disability of the presidents, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the presidents and when so acting shall have all the powers of, and be subject to all the restrictions upon, the presidents. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors, these bylaws, the chief executive officer or the chairman of the board.

5.10 SECRETARY

The secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, committees of directors and stockholders. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the board of directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors required to be given by law or by these bylaws, shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these bylaws.

5.11 CHIEF FINANCIAL OFFICER

The chief financial officer shall be the treasurer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board of directors. The chief financial officer shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to the chief executive officer, the president, and directors, whenever they request it, an account of all transactions effected as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or these bylaws.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES,

AND OTHER AGENTS

6.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall, to the maximum extent and in the manner permitted by the Delaware General Corporation Law as the same now exists or may hereafter be amended, indemnify any person against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding in which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was a director or officer of the corporation. For purposes of this Section 6.1, a "director" or "officer" of the corporation shall mean any person (i) who is or was a director or officer of the corporation, (ii) who is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (iii) who was a director or officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

The corporation shall be required to indemnify a director or officer in connection with an action, suit, or proceeding (or part thereof) initiated by such director or officer only if the initiation of such action, suit, or proceeding (or part thereof) by the director or officer was authorized by the board of directors of the corporation.

The corporation shall pay the expenses (including attorney's fees) incurred by a director or officer of the corporation entitled to indemnification hereunder in defending any action, suit or proceeding referred to in this Section 6.1 in advance of its final disposition; provided, however, that payment of expenses incurred by a director or officer of the corporation in advance of the final disposition of such action, suit or proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should ultimately be determined that the director of officer is not entitled to be indemnified under this Section 6.1 or otherwise.

This Section shall create a right of indemnification for each person referred to above, whether or not the proceeding to which the indemnification relates arose in whole or in part prior to the adoption of this Section, and in the event of death, such right shall extend to such person's legal representatives. The rights conferred on any person by this Section shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these bylaws, agreement, vote of the stockholders or disinterested directors or otherwise. Any repeal or modification of the foregoing provisions of this Section shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

6.2 INDEMNIFICATION OF OTHERS

The corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware as the same now exists or may hereafter be amended, to indemnify any person (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending or completed action, suit, or proceeding, in which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was an employee or agent of the corporation. For purposes of this Section 6.2, an "employee" or "agent" of the corporation (other than a director or officer) shall mean any person (i) who is or was an employee or agent of the corporation, (ii) who is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (iii) who was an employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.3 INSURANCE

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of the Delaware General Corporation Law.

ARTICLE VII

RECORDS AND REPORTS

7.1 MAINTENANCE AND INSPECTION OF RECORDS

The corporation shall, either at its principal executive office or at such place or places as designated by the board of directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books and other records of its business and properties.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal place of business.

7.2 INSPECTION BY DIRECTORS

Any director shall have the right to examine (and to make copies of) the corporation's stock. Any director shall have the right to examine (and to make copies of) the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to his or her position as a director.

7.3 REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The chairman of the board, if any, the chief executive officer, any president, any vice president, the chief financial officer, the secretary or any assistant secretary of this corporation, or any other person authorized by the board of directors or the chief executive officer or a president or a vice president, is authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of the stock of any other corporation or corporations standing in the name of this corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

7.4 CERTIFICATION AND INSPECTION OF BYLAWS

The original or a copy of these bylaws, as amended or otherwise altered to date, certified by the secretary, shall be kept at the corporation's principal executive office and shall be open to inspection by the stockholders of the corporation, at all reasonable times during office hours.

ARTICLE VIII

GENERAL MATTERS

8.1 RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING

For purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action. In that case, only stockholders of record at the close of business on the date so fixed are entitled to receive the dividend, distribution or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the Delaware General Corporation Law.

If the board of directors does not so fix a record date, then the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution.

8.2 CHECKS; DRAFTS; EVIDENCES OF INDEBTEDNESS

From time to time, the board of directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

8.3 CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED

The board of directors, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.4 STOCK CERTIFICATES; TRANSFER; PARTLY PAID SHARES

The shares of the corporation shall be represented by certificates, provided that the board of directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the board of directors, every holder of stock represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, if any, the chief executive officer, any president, or any vice president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile.

In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Certificates for shares shall be of such form and device as the board of directors may designate and shall state the name of the record holder of the shares represented thereby; its number; date of issuance; the number of shares for which it is issued; a summary statement or reference to the powers, designations, preferences or other special rights of such stock and the qualifications, limitations or restrictions of such preferences and/or rights, if any; a statement or summary of liens, if any; a conspicuous notice of restrictions upon transfer or registration of transfer, if any; a statement as to any applicable voting trust agreement; if the shares be assessable, or, if assessments are collectible by personal action, a plain statement of such facts.

Upon surrender to the secretary or transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.5 SPECIAL DESIGNATION ON CERTIFICATES

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.6 LOST CERTIFICATES

Except as provided in this Section 8.6, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The board of directors may, in case any share certificate or certificate for any other security is lost, stolen or destroyed, authorize the issuance of replacement certificates on such terms and conditions as the board may require; the board may require indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

8.7 TRANSFER AGENTS AND REGISTRARS

The board of directors may appoint one or more transfer agents or transfer clerks, and one or more registrars, each of which may but shall not be required to be an incorporated bank or trust company (either domestic or foreign) who shall be appointed at such times and places as the requirements of the corporation may necessitate and the board of directors may designate.

8.8 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the Delaware General Corporation Law shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE IX

AMENDMENTS

The original or other bylaws of the corporation may be adopted, amended or repealed by the stockholders entitled to vote or by the board of directors of the corporation. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

Whenever an amendment or new bylaw is adopted, it shall be copied in the book of bylaws with the original bylaws, in the appropriate place. If any bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or the filing of the operative written consent(s) shall be stated in said book.

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of July 1, 2007, by and between **Stuart W. Epperson**, an individual ("Executive"), and **Salem Communications Holding Corporation**, a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Executive and the Company are parties to an Employment Agreement, dated July 1, 2004 (the "Old Employment Agreement");

WHEREAS, the Executive and the Company wish to terminate the Old Employment Agreement, effective as of midnight on June 30, 2007;

WHEREAS, the Company desires to employ Executive in the capacity of Chairman of the Board of the Company on the terms and conditions set forth herein; and

WHEREAS, Executive desires to serve in such capacity on behalf of the Company and to provide to the Company the services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company hereby agree as follows:

1. Employment by the Company and Term.

(a) Duties. Subject to the terms set forth herein, the Company agrees to employ Executive as Chairman of the Board and Executive hereby accepts such employment. As Chairman of the Board, Executive shall have the authority, functions, duties, powers and responsibilities for Executive's corporate office and position as set forth in the Company's Bylaws from time to time and such other authority, functions, duties, powers and responsibilities as the Board of Directors of the Company (the "Board") may from time to time prescribe or delegate to Executive, in all cases to be consistent with Executive's corporate offices and positions. Notwithstanding the foregoing, the Board may change Executive's title, corporate office, positions, authority, functions, duties, powers and responsibilities from time to time if it, in its sole discretion, believes such change(s) to be in the best interest of the Company, provided that in no event shall Executive's status be of lesser stature than as non-executive Vice Chairman.

(b) Full Time and Best Efforts. During the Term, Executive shall apply, on a full-time basis, all of his skill and experience to the performance of his duties hereunder and shall not, without the prior consent of the Board, devote substantial amounts of time to outside business activities. The performance of Executive's duties shall be in Winston-Salem, North Carolina, subject to reasonable travel as the performance of his duties in the business may require. Notwithstanding the foregoing, Executive may devote a reasonable amount of his time to civic, community, charitable or passive investment activities in a manner which is reasonably consistent with his historic practices.

(b) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and of its parent, Salem Communications Corporation, a Delaware corporation ("Parent"), including without limitation the policies described in Section 10 of this Agreement, except that when the terms of this Agreement differ from or are in conflict with the Company's or Parent’s general employment policies or practices, this Agreement shall control.

(c) Term. Executive's term of employment under this Agreement shall commence as of the date hereof (the "Effective Date") and, subject to the terms hereof, shall terminate on such date (the "Termination Date") that is the earlier of: (1) June 30, 2010, or (2) the termination of Executive's employment pursuant to Section 4 of this Agreement. The period from the Effective Date until the Termination Date shall be defined herein as the "Term."

2. Compensation and Benefits.

(a) Cash Salary. Executive shall receive for services to be rendered hereunder an annual base salary (the "Base Salary") as follows:

(i) In the first year of this Agreement, **Five Hundred Fifty Thousand Dollars ($550,000)**;

(ii) In the second year of this Agreement, **Five Hundred Twenty Five Thousand Dollars ($525,000)**; and,

(iii) In the third year of this Agreement, **Two Hundred Thousand Dollars ($200,000)**.

(b) Participation in Benefit Plans. During the Term, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health and accident, disability, compensation or other plan or program of the Parent or Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. The availability and terms of such benefit plans shall be set by the Board of Directors of Parent, or its designated committee, and may change from time-to-time. Executive shall be required to comply with all conditions attendant to coverage by the benefit plans hereunder and shall be entitled to benefits only in accordance with the terms and conditions of such plans as they may be enumerated from time to time.

(c) Perquisites. During the Term, the Company shall provide Executive with the perquisites and other fringe benefits generally made available to senior executives of the Company and any such other benefits as the Board of Directors of Parent, or its designated committee, may elect to grant from time-to-time including the following:

(1) Automobile Allowance. The Company shall provide Executive, at no cost to Executive, the use of a company-owned or company-leased vehicle of a cost and quality reasonably acceptable to the Company but, in any event, equal to or exceeding the cost and quality of the vehicle presently used by Executive. The Company shall pay, or reimburse Executive for, all costs associated with operating, maintaining and insuring such automobile, provided such costs are itemized and presented to the company in writing and in a form as then prescribed by the Company in its policies for the reimbursement of employee business expenses;

(2) Life Insurance. The Company shall provide Executive the death benefit provided under a split-dollar life insurance policy pursuant to a separate Split Dollar Life Insurance Agreement dated December 31, 2003, and entered into by Executive and the Company;

(3) Regulatory Filings. The Company shall pay for all governmental and regulatory filings required by Executive solely as a result of his position as an officer or director of the Company or Parent, including, but not limited to, all Section 16 filings required by Executive. For avoidance of doubt, such filings would include SEC Forms 4 and 5 and Schedule 13G and FCC ownership reports and transfer applications and would not include other filings required in connection with the sale of company stock by Executive;

(4) Regulatory Filings/Fees Associated with Option Exercises. In the event Executive is required to make regulatory filings as a result of his exercise of options granted him by the Company for the purchase of stock of the Parent, the Company shall pay the cost of such filings, including any filing fee. The benefits provided in this Section 2(c)(4) shall include full reimbursement for any income and employment taxes applicable to such benefits;

(5) Travel and Entertainment Expenses. Reasonable, bona-fide Company-related entertainment and travel expenses incurred by Executive in accordance with the Employee Handbook, Code of Ethical Conduct, Financial Code of Conduct and other written policies, all as issued by the Company, relating thereto shall be reimbursed or paid by the Company; and,

(6) Health Benefit. Employer will pay the employee, spouse and dependents portions of the monthly group health care premiums on behalf of Executive.

3. Bonuses.

In addition to the other compensation of Executive as set forth herein, and subject to the provisions of Section 4 hereof, Executive shall be eligible for an annual merit bonus in an amount to be determined at the discretion of the Board of Directors of the Company, which bonus may be paid in cash, options or a combination thereof.

4. Termination of Employment.

(a) Termination For Cause.

(1) Termination; Payment of Accrued Salary. The Board may terminate Executive's employment with the Company at any time for cause, immediately upon notice to Executive of the circumstances leading to such termination for cause. In the event that Executive's employment is terminated for cause, Executive shall receive payment for all accrued salary through the Termination Date, which in this event shall be the date upon which notice of termination is given. The Company shall have no further obligation to pay severance of any kind nor to make any payment in lieu of notice.

(2) Definition of Cause. For the purposes of this Agreement, "Cause" shall mean, without limitation, the following: (A) the death of Executive; (B) any mental or physical impairment which prevents Executive at any time during the Term from performing the essential functions of his full duties for a period of 180 days within any 270 day period and Executive thereafter fails to return to work within 10 days of notice by the Company of intention to terminate ("Disability"); (C) continued gross neglect, malfeasance or gross insubordination in performing duties assigned to Executive; (D) a conviction for a crime involving moral turpitude; (E) an egregious act of dishonesty (including without limitation theft or embezzlement) in connection with employment, or a malicious action by Executive toward Parent, Company, or their affiliates or related entities (together with Parent, collectively "Affiliates"); (F) a violation of the provisions of Section 6(a) hereof; (G) a willful breach of this Agreement; (H) disloyalty; and (I) material and repeated failure to carry out reasonably assigned duties or instructions consistent with Executive's position.

(b) Termination by Executive. Executive shall have the right, at his election, to terminate his employment with the Company by notice to the Company to that effect: (1) if the Company shall have failed to substantially perform a material condition or covenant of this Agreement ("Company's Material Breach") or (2) if the Company materially reduces or diminishes Executive's powers and responsibilities hereunder; provided, however, that a termination under clauses (1) and (2) of this Section 4(b) shall not be effective until Executive shall have given notice to the Company specifying the claimed breach and, provided such breach is curable, Company fails to correct the claimed breach within 30 days after the receipt of the applicable notice or such longer term as may be reasonably required by the Company due to the nature of the claimed breach (but within 10 days if the failure to perform is a failure to pay monies when due under the terms of this Agreement).

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

5. Right of First Refusal on Corporate Opportunities.

During the Term, Executive agrees that he shall, prior to exploiting a Corporate Opportunity (hereafter defined) for his own account or for the benefit of an immediate family member's account, offer the Company a right of first refusal with respect to such Corporate Opportunity. For purposes of this Section 5, "Corporate Opportunity" shall mean any business opportunity that is in the same or a related business as any of the businesses in which the Company or any of its Affiliates is involved. The determination as to whether a business opportunity constitutes a Corporate Opportunity shall be made by the Nominating and Corporate Governance Committee of Parent or a majority of the disinterested and independent members of the Board, and their determination shall be based on an evaluation of: (a) the extent to which the Corporate Opportunity is within the Company's or any of its Affiliates' existing lines of business or its existing plans to expand; (b) the extent to which the Corporate Opportunity supplements the Company's or any of its Affiliates' existing lines of activity or complements the Company's or any of its Affiliates' existing methods of service; (c) whether the Company has available resources that can be utilized in connection with the Corporate Opportunity; (d) whether the Company is legally or contractually barred from utilizing the Corporate Opportunity; (e) the extent to which utilization of the Corporate Opportunity by Executive would create conflicts of interest with the Company or any of its Affiliates; and (f) any other factors the Nominating and Corporate Governance Committee or such disinterested and independent Board members deem(s) appropriate under the circumstances.

6. Executive's Obligations.

(a) Confidential Information. Executive agrees that, during the Term or at any time thereafter:
(1) Executive shall not use for any purpose other than the duly authorized business of Company, or disclose to any third party, any information relating to Company or any of its Affiliates which is proprietary to Company or any of its Affiliates ("Confidential Information"), including any customer list, contact information, rate schedules, programming, data, plans, intellectual property, trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of Executive's duties under this Agreement consistent with Company's policies) regardless of whether or not such information has been labeled as "confidential"; and

(2) Executive shall comply with any and all confidentiality obligations of Company to a third party, whether arising under a written agreement or otherwise.

(b) Work For Hire.

(1) The results and proceeds of Executive’s services to Company, including, without limitation, any works of authorship resulting from Executive’s services during Executive’s employment with Company and/or any of its Affiliates and any works in progress resulting from such services, shall be works-made-for-hire and Company shall be deemed the sole owner of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner Company determines in its sole discretion without any further payment to Executive. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to Company under the preceding sentence, then Executive hereby irrevocably assigns and agrees to assign any and all of Executive’s right, title and interest thereto, whether now known or hereafter defined or discovered, and Company shall have the right to use the work in perpetuity in any location and in any manner Company determines in its sole discretion without any further payment to Executive.

(2) Executive shall do any and all things which Company may deem useful or desirable to establish or document Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if Executive is unavailable or unwilling to execute such documents, Executive hereby irrevocably designates the Chairman of the Board of Directors of Parent or his designee as Executive’s attorney-in-fact with the power to execute such documents on Executive’s behalf. To the extent Executive has any rights in the results and proceeds of Executive’s services under this Agreement that cannot be assigned as described above, Executive unconditionally and irrevocably waives the enforcement of such rights.

(3) Works-made-for-hire do not include subject matter that meets all of the following criteria: (A) is conceived, developed and created by Executive on Executive’s own time without using the Company’s or any of its Affiliate’s equipment, supplies or facilities or any trade secrets or confidential information, (B) is unrelated to the actual or reasonably anticipated business or research and development of Company or any of its Affiliates of which Executive is or becomes aware; and (C) does not result from any work performed by Executive for Company or any of its Affiliates.

(c) Return of Property. All documents, data, recordings, equipment or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for Executive and utilized by Executive in the course of Executive’s employment with Company or any of its Affiliates shall remain the exclusive property of Company and shall not be removed from the premises of the Company under any circumstances whatsoever without the prior written consent of the Company, except when (and only for the period) necessary to carry out Executive's duties hereunder, and if removed shall be immediately returned to the Company upon any termination of his employment and no copies thereof shall be kept by Executive; provided, however, that Executive shall be entitled to retain documents reasonably related to his prior interest as a shareholder. Upon termination of employment, Executive shall promptly return all property of Company or any of its Affiliates.

(d) Use of Executive’s Name, Image and Likeness. Company may make use of Executive’s name, photograph, drawing or other likeness in connection with the advertising or the giving of publicity to Company, Parent or a program broadcast or content provided by Company, Parent or any Affiliates. In such regard, Company may make recordings, transcriptions, videotapes, films and other reproductions of any and all actions performed by Executive in his or her capacity as an Executive of Company, including without limitation any voice-over or announcing material provided by Executive (collectively “Executive Performances”). Company shall have the right to broadcast, display, license, assign or use any Executive Performances on a royalty-free basis without additional compensation payable to Executive.

7. Noninterference.

While employed by the Company and for a period of two years thereafter, Executive agrees not to interfere with the business of the Company by directly or indirectly soliciting, attempting to solicit, inducing, or otherwise causing any executive or material employee of the Company or any of its Affiliates to terminate his or her employment in order to become an employee, consultant or independent contractor to or for any other Company.

8. Noncompetition.

Executive agrees that during the Term and for a period of two years thereafter, he shall not, without the prior consent of the Company, directly or indirectly, be employed by, be connected with, or have an interest in, as an employee, consultant, officer, director, partner, stockholder or joint venturer, in any person or entity owning, managing, controlling, operating or otherwise participating or assisting in any business that is in competition with the business of the Company or any of its Affiliates (a) during the Term, in any location, and (b) for the two-year period following the termination of this Agreement, in any province, state or jurisdiction in which the Company or any of its Affiliates was conducting business at the date of termination of Executive's employment and continues to do so thereafter; provided, however, that the foregoing shall not prevent Executive from being a stockholder of less than one percent of the issued and outstanding securities of any class of a corporation listed on a national securities exchange or designated as national market system securities on an interdealer quotation system by the National Association of Securities Dealers, Inc. Notwithstanding the foregoing, this paragraph shall not operate to limit Executive’s ability to provide non-confidential information to, serve on the board of directors of, or be employed by any 501(c)(3) organization, including any such organization operating non-commercial radio station(s).

9. Remedies.

Executive acknowledges that a breach or threatened breach by Executive of any the provisions of Sections 5, 6, 7 or 8 will result in the Company and its stockholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of monetary damages alone. Accordingly, Executive agrees that the Company shall be entitled to interim, interlocutory and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Company may become entitled should there be such a breach or threatened breach.

10. Personal Conduct.

Executive agrees to promptly and faithfully comply with all present and future policies, requirements, directions, requests and rules and regulations of the Company in connection with the Company’s business, including without limitation the policies and requirements set forth in Parent’s Employee Handbook, Code of Ethical Conduct and Financial Code of Conduct. Executive further agrees to comply with all laws and regulations pertaining to Executive’s employment with the Company. Executive hereby agrees not to engage in any activity that is in direct conflict with the essential interests of the Company or any of its Affiliates. Executive hereby acknowledges that nothing set forth in the Employee Handbook, Code of Ethical Conduct or Financial Code of Conduct or any other policy issued by the Company or Parent shall be deemed to create a separate contractual obligation, guarantee or inducement between Executive and the Company.

11. **Indemnification**.

The Company shall indemnify Executive to the fullest extent permitted by law, in effect at the time of the subject act or omission, and shall advance to Executive reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from Executive to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that Executive was not entitled to the reimbursement of such fees and expenses). Executive shall be entitled to the protection of any insurance policies that the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges and expenses incurred or sustained by him in connection with any action, suit or proceeding (other than any action, suit or proceeding arising under or relating to this Agreement) to which Executive may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its Affiliates, or his serving or having served any other enterprise as a director, officer or employee at the request of the Company. The Company covenants to maintain during Executive's employment for the benefit of Executive (in his capacity as an officer and director of the Company) Directors' and Officers' Insurance providing benefits to Executive no less favorable, taken as a whole, than the benefits provided to the other senior executives of the Company by the Directors' and Officers' Insurance maintained by the Company on the date hereof; provided, however, that the Board may elect to terminate Directors' and Officers' Insurance for all officers and directors, including Executive, if the Board determines in good faith that such insurance is not available or is available only at unreasonable expense.

12. **Miscellaneous**.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of (1) personal delivery (including personal delivery by e-mail or fax), (2) on the first day after mailing by overnight courier, or (3) on the third day after mailing by first class mail, to the recipient at the address indicated below:

To the Company:

Salem Communications Holding Corporation
4880 Santa Rosa Road
Camarillo, California 93012
Attention: Jonathan L. Block, Secretary

To Executive:

Stuart W. Epperson
3780 Will Scarlet Road
Winston-Salem, NC 27104

or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

(b) Severability. If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and all remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

(c) Entire Agreement. This document constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to the employment of Executive by the Company or the payment of any compensation or the provision of any benefit in connection therewith or otherwise, are hereby terminated and shall be of no further force and effect.

(d) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together shall constitute one and the same agreement.

(e) Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

(f) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

(g) Attorneys' Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach therefore, the prevailing party shall be entitled to reasonable attorney's fees, as well as costs and disbursements, in addition to other relief to which he or it may be entitled.

(h) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the law of conflicts, of the State of California.

(i) Resolution of Disputes. Company and Executive mutually agree to resolve any and all legal claims arising from or in any way relating to Executive's employment with Company through mediation or, if mediation does not resolve the claim or dispute within ten (10) days of notice demanding mediation, by binding arbitration under the Federal Arbitration Act subject to the terms and conditions provided below. Notwithstanding the foregoing, insured workers' compensation claims (other than wrongful discharge claims) and claims for unemployment insurance are excluded from arbitration under this Agreement. This Agreement does not prevent the filing of charges with administrative agencies such as the Equal Employment Opportunity Commission, the National Labor Relations Board, or equivalent state agencies. Arbitration shall be conducted in Ventura County, California in accordance with any of the following, at Executive's election: (a) the JAMS® Employment Rules of Procedure, or (b) the rules of procedure issued by another alternative dispute resolution service mutually acceptable to Executive and Company. Any award issued in accordance with this Section 11(i) shall be rendered as a judgment in any trial court having competent jurisdiction. Company shall pay the arbitration fees and expenses, less any filing fee amount the Executive would otherwise have to pay to pursue a comparable lawsuit in a United States district court in the jurisdiction where the dispute arises or state court in the jurisdiction where the dispute arises, whichever is less. All other rights, remedies, exhaustion requirements, statutes of limitations and defenses applicable to claims asserted in a court of law shall apply in the arbitration. Executive expressly waives any presumption or rule, if any, which requires this Agreement to be construed against the Company.

(j) Integration. This Agreement comprises the entire understanding of the parties with respect to the subject matter and shall supersede all other prior written or oral agreements, including without limitation the Old Employment Agreement.

(k) Survival; Modification of Terms. No change in Executive's duties or salary shall affect, alter, or otherwise release Executive from the covenants and agreements contained herein. All post-termination covenants, agreements, representations and warranties made herein by Executive shall survive the expiration or termination of this Agreement or employment under this Agreement in accordance with their respective terms and conditions.

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

"EXECUTIVE"

By: /s/ STUART W. EPPERSON
Stuart W. Epperson
Chairman of the Board

"COMPANY"

SALEM COMMUNICATIONS HOLDING CORPORATION

By: /s/ EDWARD G. ATSINGER III
Edward G. Atsinger III
Chief Executive Officer

I hereby certify that the terms and conditions of this Employment Agreement have been reviewed and approved by the Compensation Committee of Salem Communications Corporation.

Date: June 25, 2007
By: /s/ ROLAND S. HINZ
Roland S. Hinz
Chairman of the Compensation Committee,
Salem Communications Corporation

EXHIBIT 10.2

EMPLOYMENTAGREEMENT

This Employment Agreement (the "Agreement") is entered into as of July 1, 2007, by and between **Edward G. Atsinger III**, an individual ("Executive"), and **Salem Communications Holding Corporation**, a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Executive and the Company are parties to an employment agreement, dated July 1, 2004 (the "Old Employment Agreement");

WHEREAS, the Executive and the Company wish to terminate the Old Employment Agreement, effective as of midnight on June 30, 2007;

WHEREAS, the Company desires to employ Executive in the capacity of President and Chief Executive Officer of the Company on the terms and conditions set forth herein; and

WHEREAS, Executive desires to serve in such capacity on behalf of the Company and to provide to the Company the services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company hereby agree as follows:

1. Employment by the Company and Term.

(a) Duties. Subject to the terms set forth herein, the Company agrees to employ Executive Chief Executive Officer and Executive hereby accepts such employment. As Chief Executive Officer, Executive shall have responsibility for the day-to-day operations of the Company and shall have the authority, functions, duties, powers and responsibilities for Executive's corporate offices and positions which are set forth in the Company's Bylaws from time to time in effect and such other authority, functions, duties, powers and responsibilities as the Board of Directors of the Company (the "Board") may from time to time prescribe or delegate to Executive, in all cases to be consistent with Executive's corporate offices and positions. Notwithstanding the foregoing, the Board may change Executive's title, corporate office, positions, authority, functions, duties, powers and responsibilities from time to time if it, in its sole discretion, believes such change(s) to be in the best interest of the Company, provided that in no event shall Executive's status be of lesser stature than as Chief Executive Officer or Chairman of the Board.

(b) Full Time and Best Efforts. During the Term, Executive shall apply, on a full-time basis, all of his skill and experience to the performance of his duties hereunder and shall not, without the prior consent of the Board, devote substantial amounts of time to outside business activities. The performance of Executive's duties shall be in Camarillo, California, subject to reasonable travel as the performance of his duties in the business may require. Notwithstanding the foregoing, Executive may devote a reasonable amount of his time to civic, community, charitable or passive investment activities and may devote up to 600 hours per year in the management and operation of his aircraft charter and fixed based operator company (the “FBO”).

(c) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and of its parent, Salem Communications Corporation, a Delaware corporation (“Parent”), including without limitation the policies described in Section 10 of this Agreement, except that when the terms of this Agreement differ from or are in conflict with the Company's or Parent’s general employment policies or practices, this Agreement shall control.

(d) Term. Executive's term of employment under this Agreement shall commence as of the date hereof (the "Effective Date") and, subject to the terms hereof, shall terminate on such date (the "Termination Date") that is the earlier of: (1) June 30, 2010, or (2) the termination of Executive's employment pursuant to Section 4 of this Agreement. The period from the Effective Date until the Termination Date shall be defined herein as the "Term."

2. Compensation and Benefits.

(a) Cash Salary. Executive shall receive for services to be rendered hereunder an annual base salary (the "Base Salary") as follows:

(iv) In the first year of this Agreement, **Seven Hundred Fifty Thousand Dollars ($750,000)**;

(v) In the second year of this Agreement, **Eight Hundred Fifty Thousand Dollars ($850,000)**; and,

(vi) In the third year of this Agreement, **Eight Hundred Fifty Thousand Dollars ($850,000)**.

(b) Participation in Benefit Plans. During the Term, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health and accident, disability, compensation or other plan or program of the Parent or Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. The availability and terms of such benefit plans shall be set by the Board of Directors of Parent, or its designated committee, and may change from time-to-time. Executive shall be required to comply with all conditions attendant to coverage by the benefit plans hereunder and shall be entitled to benefits only in accordance with the terms and conditions of such plans as they may be enumerated from time to time.

(c) Perquisites. During the Term, the Company shall provide Executive with the perquisites and other fringe benefits generally made available to senior executives of the Company and any such other benefits as the Board of Directors of Parent, or its designated committee, may elect to grant from time-to-time including the following:

(1) Automobile Allowance. The Company shall provide Executive, at no cost to Executive, the use of a company-owned or company-leased vehicle of a cost and quality reasonably acceptable to the Company but, in any event, equal to or exceeding the cost and quality of the vehicle presently used by Executive. The Company shall pay, or reimburse Executive for, all costs associated with operating, maintaining and insuring such automobile, provided such costs are itemized and presented to the company in writing and in a form as then prescribed by the Company in its policies for the reimbursement of employee business expenses;

(2) Life Insurance. The Company shall provide Executive the death benefit provided under a split-dollar life insurance policy pursuant to a separate Split Dollar Life Insurance Agreement dated December 31, 2003, and entered into by Executive and the Company;

(3) Regulatory Filings. The Company shall pay for all governmental and regulatory filings required by Executive solely as a result of his position as an officer or director of the Company or Parent, including, but not limited to, all Section 16 filings required by Executive. For avoidance of doubt, such filings would include SEC Forms 4 and 5 and Schedule 13D and FCC ownership reports and transfer applications and would not include other filings required in connection with the sale of company stock by Executive;

(4) Regulatory Filings/Fees Associated with Option Exercises. In the event Executive is required to make regulatory filings as a result of his exercise of options granted him by the Company for the purchase of stock of the Parent, the Company shall pay the cost of such filings, including any filing fee. The benefits provided in this Section 2(c)(5) shall include full reimbursement for any income and employment taxes applicable to such benefits;

(5) Travel and Entertainment Expenses. Reasonable, bona-fide Company-related entertainment and travel expenses incurred by Executive in accordance with the Employee Handbook, Code of Ethical Conduct, Financial Code of Conduct and other written policies, all as issued by the Company, relating thereto shall be reimbursed or paid by the Company; and,

(6) Supplemental Health Benefit. In addition to the group medical, dental and vision insurance provided by the Company, the Company shall either provide Executive with supplemental medical insurance or reimburse Executive, in either case, for one hundred percent (100%) of the costs of all medical expenses for Executive, including any vision, health or dental expenses incurred by Executive, that are not covered under the Company's medical benefits programs. The Company shall also reimburse Executive for one hundred percent (100%) of the costs of travel related to Executive's procurement of medical care in accordance with Executive's normal standard of travel. The benefits provided in this Section 2(c)(3) shall include full reimbursement for any income and employment taxes applicable to such benefits.

3. Bonuses.

In addition to the other compensation of Executive as set forth herein, and subject to the provisions of Section 4 hereof, Executive shall be eligible for an annual merit bonus in an amount to be determined at the discretion of the Board of Directors of the Company, which bonus may be paid in cash, options or a combination thereof.

4. Termination of Employment.

(a) Termination For Cause.

(1) Termination; Payment of Accrued Salary. The Board may terminate Executive's employment with the Company at any time for cause, immediately upon notice to Executive of the circumstances leading to such termination for cause. In the event that Executive's employment is terminated for cause, Executive shall receive payment for all accrued salary through the Termination Date, which in this event shall be the date upon which notice of termination is given. The Company shall have no further obligation to pay severance of any kind nor to make any payment in lieu of notice.

(2) Definition of Cause. For the purposes of this Agreement, "Cause" shall mean, without limitation, the following: (A) the death of Executive; (B) any mental or physical impairment which prevents Executive at any time during the Term from performing the essential functions of his full duties for a period of 180 days within any 270 day period and Executive thereafter fails to return to work within 10 days of notice by the Company of intention to terminate ("Disability"); (C) continued gross neglect, malfeasance or gross insubordination in performing duties assigned to Executive; (D) a conviction for a crime involving moral turpitude; (E) an egregious act of dishonesty (including without limitation theft or embezzlement) in connection with employment, or a malicious action by Executive toward Parent, Company, or their affiliates or related entities (together with Parent, collectively "Affiliates"); (F) a violation of the provisions of Section 6(a) hereof; (G) a willful breach of this Agreement; (H) disloyalty; and (I) material and repeated failure to carry out reasonably assigned duties or instructions consistent with Executive's position.

(b) Termination by Executive. Executive shall have the right, at his election, to terminate his employment with the Company by notice to the Company to that effect: (1) if the Company shall have failed to substantially perform a material condition or covenant of this Agreement ("Company's Material Breach") or (2) if the Company materially reduces or diminishes Executive's powers and responsibilities hereunder; provided, however, that a termination under clauses (1) and (2) of this Section 4(b) shall not be effective until Executive shall have given notice to the Company specifying the claimed breach and, provided such breach is curable, Company fails to correct the claimed breach within 30 days after the receipt of the applicable notice or such longer term as may be reasonably required by the Company due to the nature of the claimed breach (but within 10 days if the failure to perform is a failure to pay monies when due under the terms of this Agreement).

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of

termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

5. Right of First Refusal on Corporate Opportunities.

During the Term, Executive agrees that he shall, prior to exploiting a Corporate Opportunity (hereafter defined) for his own account or for the benefit of an immediate family member's account, offer the Company a right of first refusal with respect to such Corporate Opportunity. For purposes of this Section 5, "Corporate Opportunity" shall mean any business opportunity that is in the same or a related business as any of the businesses in which the Company or any of its Affiliates is involved; provided that "Corporate Opportunity" shall not include any business opportunity that is in the same or a related business as any of the businesses in which the FBO is involved. The determination as to whether a business opportunity constitutes a Corporate Opportunity shall be made by the Nominating and Corporate Governance Committee of Parent or a majority of the disinterested and independent members of the Board, and their determination shall be based on an evaluation of: (a) the extent to which the Corporate Opportunity is within the Company's or any of its Affiliates' existing lines of business or its existing plans to expand; (b) the extent to which the Corporate Opportunity supplements the Company's or any of its Affiliates' existing lines of activity or complements the Company's or any of its Affiliates' existing methods of service; (c) whether the Company has available resources that can be utilized in connection with the Corporate Opportunity; (d) whether the Company is legally or contractually barred from utilizing the Corporate Opportunity; (e) the extent to which utilization of the Corporate Opportunity by Executive would create conflicts of interest with the Company or any of its Affiliates; and (f) any other factors the Nominating and Corporate Governance Committee or such disinterested and independent Board members deem(s) appropriate under the circumstances.

6. Executive's Obligations.

(a) Confidential Information. Executive agrees that, during the Term or at any time thereafter:
(1) Executive shall not use for any purpose other than the duly authorized business of Company, or disclose to any third party, any information relating to Company or any of its Affiliates which is proprietary to Company or any of its Affiliates ("Confidential Information"), including any customer list, contact information, rate schedules, programming, data, plans, intellectual property, trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of Executive's duties under this Agreement consistent with Company's policies) regardless of whether or not such information has been labeled as "confidential"; and

(2) Executive shall comply with any and all confidentiality obligations of Company to a third party, whether arising under a written agreement or otherwise.

(b) Work For Hire.

(1) The results and proceeds of Executive's services to Company, including, without limitation, any works of authorship resulting from Executive's services during Executive's employment with Company and/or any of its Affiliates and any works in progress resulting from such services, shall be works-made-for-hire and Company shall be deemed the sole owner of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner Company determines in its sole discretion without any further payment to Executive. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to Company under the preceding sentence, then Executive hereby irrevocably assigns and agrees to assign any and all of Executive's right, title and interest thereto, whether now known or hereafter defined or discovered, and Company shall have the right to use the work in perpetuity in any location and in any manner Company determines in its sole discretion without any further payment to Executive.

(2) Executive shall do any and all things which Company may deem useful or desirable to establish or document Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if Executive is unavailable or unwilling to execute such documents, Executive hereby irrevocably designates the Chairman of the Board of Directors of Parent or his designee as Executive's attorney-in-fact with the power to execute such documents on Executive's behalf. To the extent Executive has any rights in the results and proceeds of Executive's services under this Agreement that cannot be assigned as described above, Executive unconditionally and irrevocably waives the enforcement of such rights.

(3) Works-made-for-hire do not include subject matter that meets all of the following criteria: (A) is conceived, developed and created by Executive on Executive's own time without using the Company's or any of its Affiliate's equipment, supplies or facilities or any trade secrets or confidential information, (B) is unrelated to the actual or reasonably anticipated business or research and development of Company or any of its Affiliates of which Executive is or becomes aware; and (C) does not result from any work performed by Executive for Company or any of its Affiliates.

(c) Return of Property. All documents, data, recordings, equipment or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for Executive and utilized by Executive in the course of Executive's employment with Company or any of its Affiliates shall remain the exclusive property of Company and shall not be removed from the premises of the Company under any circumstances whatsoever without the prior written consent of the Company, except when (and only for the period) necessary to carry out Executive's duties hereunder, and if removed shall be immediately returned to the Company upon any termination of his employment and no copies thereof shall be kept by Executive; provided, however, that Executive shall be entitled to retain documents reasonably related to his prior interest as a shareholder. Upon termination of employment, Executive shall promptly return all of property of the Company or any of its Affiliates.

(d) Use of Executive’s Name, Image and Likeness. Company may make use of Executive’s name, photograph, drawing or other likeness in connection with the advertising or the giving of publicity to Company, Parent or a program broadcast or content provided by Company, Parent or any Affiliates. In such regard, Company may make recordings, transcriptions, videotapes, films and other reproductions of any and all actions performed by Executive in his or her capacity as an Executive of Company, including without limitation any voice-over or announcing material provided by Executive (collectively “Executive Performances”). Company shall have the right to broadcast, display, license, assign or use any Executive Performances on a royalty-free basis without additional compensation payable to Executive.

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a Disability (as defined in Section 4(a)(2) hereof). After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation shall be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary for 15 months without offset for any disability payments Executive may receive, payable in equal monthly installments. After the Termination Date, which in this event shall be the date upon which notice of termination is given, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(d) Termination Without Cause.

(1) Termination Payments. In the event that, during the Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (*e.g.* COBRA health insurance continuation election) or (b) in the event of a termination by the Company pursuant to Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the Term, the Company shall (1) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (2) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. After the Termination Date, which in this event shall be the date of Executive’s death, any then unvested or time-vested stock options previously granted to Executive by the Company, including without limitation those grants described in Section 3(c) of this Agreement, shall become immediately one hundred percent (100%) vested.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and, except as provided in Section 3(a) hereof, the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

7. Noninterference.

While employed by the Company and for a period of two years thereafter, Executive agrees not to interfere with the business of the Company by directly or indirectly soliciting, attempting to solicit, inducing, or otherwise causing any executive or material employee of the Company or any of its Affiliates to terminate his or her employment in order to become an employee, consultant or independent contractor to or for any other Company.

8. Noncompetition.

Executive agrees that during the Term and for a period of two years thereafter, he shall not, without the prior consent of the Company, directly or indirectly, be employed by, be connected with, or have an interest in, as an employee, consultant, officer, director, partner, stockholder or joint venturer, in any person or entity owning, managing, controlling, operating or otherwise participating or assisting in any business that is in competition with the business of the Company or any of its Affiliates (a) during the Term, in any location, and (b) for the two-year period following the termination of this Agreement, in any province, state or jurisdiction in which the Company or any of its Affiliates was conducting business at the date of termination of Executive's employment and continues to do so thereafter; provided, however, that the foregoing shall not prevent Executive from being a stockholder of less than one percent of the issued and outstanding securities of any class of a corporation listed on a national securities exchange or designated as national market system securities on an interdealer quotation system by the National Association of Securities Dealers, Inc.

9. Remedies.

Executive acknowledges that a breach or threatened breach by Executive of any the provisions of Sections 5, 6, 7 or 8 will result in the Company and its stockholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of monetary damages alone. Accordingly, Executive agrees that the Company shall be entitled to interim, interlocutory and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Company may become entitled should there be such a breach or threatened breach.

10. Personal Conduct.

Executive agrees to promptly and faithfully comply with all present and future policies, requirements, directions, requests and rules and regulations of the Company in connection with the Company’s business, including without limitation the policies and requirements set forth in Parent’s Employee Handbook, Code of Ethical Conduct and Financial Code of Conduct. Executive further agrees to comply with all laws and regulations pertaining to Executive’s employment with the Company. Executive hereby agrees not to engage in any activity that is in direct conflict with the essential interests of the Company or any of its Affiliates. Executive hereby acknowledges that nothing set forth in the Employee Handbook, Code of Ethical Conduct or Financial Code of Conduct or any other policy issued by the Company or Parent shall be deemed to create a separate contractual obligation, guarantee or inducement between Executive and the Company.

11. Indemnification.

The Company shall indemnify Executive to the fullest extent permitted by law, in effect at the time of the subject act or omission, and shall advance to Executive reasonable attorneys’ fees and expenses as such fees and expenses are incurred (subject to an undertaking from Executive to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that Executive was not entitled to the reimbursement of such fees and expenses). Executive shall be entitled to the protection of any insurance policies that the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges and expenses incurred or sustained by him in connection with any action, suit or proceeding (other than any action, suit or proceeding arising under or relating to this Agreement) to which Executive may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its Affiliates, or his serving or having served any other enterprise as a director, officer or employee at the request of the Company. The Company covenants to maintain during Executive’s employment for the benefit of Executive (in his capacity as an officer and director of the Company) Directors’ and Officers’ Insurance providing benefits to Executive no less favorable, taken as a whole, than the benefits provided to the other senior executives of the Company by the Directors’ and Officers’ Insurance maintained by the

Company on the date hereof; provided, however, that the Board may elect to terminate Directors’ and Officers’ Insurance for all officers and directors, including Executive, if the Board determines in good faith that such insurance is not available or is available only at unreasonable expense.

12. Miscellaneous.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of (1) personal delivery (including personal delivery by e-mail or fax), (2) on the first day after mailing by overnight courier, or (3) on the third day after mailing by first class mail, to the recipient at the address indicated below:

To the Company:

Salem Communications Holding Corporation
4880 Santa Rosa Road
Camarillo, California 93012
Attention: Jonathan L. Block, Secretary

To Executive:

Edward G. Atsinger III
4880 Santa Rosa Road
Camarillo, CA 93012

or to such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party.

(b) Severability. If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and all remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

(c) Entire Agreement. This document constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to the employment of Executive by the Company or the payment of any compensation or the provision of any benefit in connection therewith or otherwise, are hereby terminated and shall be of no further force and effect.

(d) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together shall constitute one and the same agreement.

(e) Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

(f) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

(g) Attorneys' Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach therefore, the prevailing party shall be entitled to reasonable attorney's fees, as well as costs and disbursements, in addition to other relief to which he or it may be entitled.

(h) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the law of conflicts, of the State of California.

(i) Resolution of Disputes. Company and Executive mutually agree to resolve any and all legal claims arising from or in any way relating to Executive's employment with Company through mediation or, if mediation does not resolve the claim or dispute within ten (10) days of notice demanding mediation, by binding arbitration under the Federal Arbitration Act subject to the terms and conditions provided below. Notwithstanding the foregoing, insured workers' compensation claims (other than wrongful discharge claims) and claims for unemployment insurance are excluded from arbitration under this Agreement. This Agreement does not prevent the filing of charges with administrative agencies such as the Equal Employment Opportunity Commission, the National Labor Relations Board, or equivalent state agencies. Arbitration shall be conducted in Ventura County, California in accordance with any of the following, at Executive's election: (a) the JAMS® Employment Rules of Procedure, or (b) the rules of procedure issued by another alternative dispute resolution service mutually acceptable to Executive and Company. Any award issued in accordance with this Section 11(i) shall be rendered as a judgment in any trial court having competent jurisdiction. Company shall pay the arbitration fees and expenses, less any filing fee amount the Executive would otherwise have to pay to pursue a comparable lawsuit in a United States district court in the jurisdiction where the dispute arises or state court in the jurisdiction where the dispute arises, whichever is less. All other rights, remedies, exhaustion requirements, statutes of limitations and defenses applicable to claims asserted in a court of law shall apply in the arbitration. Executive expressly waives any presumption or rule, if any, which requires this Agreement to be construed against the Company.

(j) Integration. This Agreement comprises the entire understanding of the parties with respect to the subject matter and shall supersede all other prior written or oral agreements, including without limitation the Old Employment Agreement.

(k) Survival; Modification of Terms. No change in Executive's duties or salary shall affect, alter, or otherwise release Executive from the covenants and agreements contained herein. All post-termination covenants, agreements, representations and warranties made herein by Executive shall survive the expiration or termination of this Agreement or employment under this Agreement in accordance with their respective terms and conditions.

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

"EXECUTIVE"

By: /s/ EDWARD G. ATSINGER III
Edward G. Atsinger III
Chief Executive Officer

"COMPANY"

SALEM COMMUNICATIONS HOLDING CORPORATION
By: /s/ JONATHAN L. BLOCK
Jonathan L. Block
Vice President

I hereby certify that the terms and conditions of this Employment Agreement have been reviewed and approved by the Compensation Committee of Salem Communications Corporation.

Date: June 25, 2007
By: /s/ ROLAND S. HINZ
Roland S. Hinz
Chairman of the Compensation Committee,
Salem Communications Corporation

EXHIBIT 10.3

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of July 1, 2007, by and between **Eric H. Halvorson**, an individual ("Executive"), and **Salem Communications Holding Corporation**, a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Company desires to employ Executive in the capacity of President and Chief Operating Officer of the Company to exercise operational control pursuant to the directives of the Chief Executive Officer and on the terms and conditions set forth herein; and

WHEREAS, Executive desires to serve in such capacity on behalf of the Company and to provide to the Company the services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company hereby agree as follows:

1. Employment by the Company and Term.

(a) Duties. Subject to the terms set forth herein, the Company agrees to employ Executive as President and Chief Operating Officer and Executive hereby accepts such employment. Executive shall report directly to the Chief Executive Officer of the Company and all other officers of the company shall report directly or indirectly to Executive. Executive agrees to perform all duties reasonable and consistent with a *President and Chief Operating Officer*as the Chief Executive Officer of the Employer may assign to Executive from time-to-time. Notwithstanding the foregoing, the Board of Directors of the Company (the "Board") may change Executive’s title, corporate office, positions, authority, functions, duties, powers and responsibilities from time to time if it, in its sole discretion, believes such change(s) to be in the best interest of the Company, provided that in no event shall Executive’s status be of lesser stature and responsibility than as President.

(b) Full Time and Best Efforts. During the Term, Executive shall apply, on a full-time basis, all of his skill and experience to the performance of his duties hereunder and shall not, without the prior consent of the Board, devote substantial amounts of time to outside business activities. The performance of Executive's duties shall be in Camarillo, California, subject to reasonable travel as the performance of his duties in the business may require. Notwithstanding the foregoing, Executive may devote a reasonable amount of his time to civic, community, charitable or passive investment activities and may continue to serve on the board of directors of the following companies: Intuitive Surgical, Inc. and Pastors’ Retreat Network. Executive may not accept any additional paid board positions without the written consent of the Board or the Company’s Chief Executive Officer.

(c) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and of its parent, Salem Communications Corporation, a Delaware corporation (“Parent”), including without limitation the policies described in Section 10 of this Agreement, except that when the terms of this Agreement differ from or are in conflict with the Company's or Parent’s general employment policies or practices, this Agreement shall control.

(d) Term. Executive's term of employment under this Agreement shall commence as of the date hereof (the "Effective Date") and, subject to the terms hereof, shall terminate on such date (the "Termination Date") that is the earlier of: (1) June 30, 2010, or (2) the termination of Executive's employment pursuant to Section 4 of this Agreement. The period from the Effective Date until the Termination Date shall be defined herein as the "Term."

2. Compensation and Benefits.

(a) Cash Salary. Executive shall receive for services to be rendered hereunder an annual base salary (the "Base Salary") as follows:

(vii) In the first year of this Agreement, **Five Hundred Thousand Dollars ($500,000)**;

(viii) In the second year of this Agreement, **Five Hundred Twenty Five Thousand Dollars ($525,000)**; and,

(ix) In the third year of this Agreement, **Five Hundred Fifty Thousand Dollars ($550,000)**.

(b) Participation in Benefit Plans. During the Term, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health and accident, disability, compensation or other plan or program of the Parent or Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. The availability and terms of such benefit plans shall be set by the Board, or its designated committee, and may change from time-to-time. Executive shall be required to comply with all conditions attendant to coverage by the benefit plans hereunder and shall be entitled to benefits only in accordance with the terms and conditions of such plans as they may be enumerated from time to time.

(c) Perquisites. During the Term, the Company shall provide Executive with the perquisites and other fringe benefits generally made available to senior executives of the Company and any such other benefits as the Board, or its designated committee, may elect to grant from time-to-time including the following:

.7 (1) Regulatory Filings. The Company shall pay for all governmental and regulatory filings required by Executive solely as a result of his position as an officer or director of the Company or Parent, including, but not limited to, all Section 16 filings required by Executive. For avoidance of doubt, such filings would include SEC Forms 3, 4 and 5 and Schedule 13 and FCC ownership reports and transfer applications and would not include other filings required in connection with the sale of company stock by Executive;

(2) Travel and Entertainment Expenses. Reasonable, bona-fide Company-related entertainment and travel expenses incurred by Executive in accordance with the Employee Handbook, Code of Ethical Conduct, Financial Code of Conduct and other written policies, all as issued by the Company, relating thereto shall be reimbursed or paid by the Company; and,

(3) Supplemental Health Benefit. In addition to the group medical, dental and vision insurance provided by the Company, the Company shall provide Executive with an amount, not to exceed $2,000 per year, for the costs of Executive's participation within the MVP Health Care program or its equivalent.

3. Bonuses.

In addition to the other compensation of Executive as set forth herein, and subject to the provisions of Section 4 hereof, Executive shall be eligible for an annual merit bonus in an amount to be determined at the discretion of the Board, which bonus may be paid in cash, options or a combination thereof.

4. Termination of Employment.

(a) Termination For Cause.

5,628,795
Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39
7,750 9,286,128
William S. Hart Union High School District, GO, CAB, Refunding, Series B (AGM) (a):

4.68%, 8/01/34
11,150 4,124,051
4.69%, 8/01/35
9,800 3,451,756

177,131,278
Education 2.8%

California Educational Facilities Authority, Refunding RB, San Francisco University, 6.13%, 10/01/36
6,280 7,736,332
California Municipal Finance Authority, RB, Emerson College, 5.75%, 1/01/33
2,500 2,976,100
University of California, RB, Series O, 5.38%, 5/15/34
490 579,939
University of California, Refunding RB, Series S, 5.00%, 5/15/35
3,175 3,640,233

14,932,604

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:

ACA	American Capital Access Corp.	**GO**	General Obligation Bonds
AGC	Assured Guaranty Corp.	**HDA**	Housing Development Authority
AGM	Assured Guaranty Municipal Corp.	**HFA**	Housing Finance Agency
AMBAC	American Municipal Bond Assurance Corp.	**IDA**	Industrial Development Authority
AMT	Alternative Minimum Tax (subject to)	**IDB**	Industrial Development Board
ARB	Airport Revenue Bonds	**ISD**	Independent School District
BARB	Building Aid Revenue Bonds	**LRB**	Lease Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.	**M/F**	Multi-Family
CAB	Capital Appreciation Bonds	**NPFGC**	National Public Finance Guarantee Corp.
CIFG	CDC IXIS Financial Guaranty	**PILOT**	Payment in Lieu of Taxes
COP	Certificates of Participation	**Radian**	Radian Financial Guaranty
EDA	Economic Development Authority	**RB**	Revenue Bonds
EDC	Economic Development Corp.	**S/F**	Single-Family
ERB	Education Revenue Bonds	**SONYMA**	State of New York Mortgage Agency
FHA	Federal Housing Administration	**VRDN**	Variable Rate Demand Notes
GARB	General Airport Revenue Bonds		

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock California Municipal Income Trust (BFZ)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
California (continued)		
Health 15.9%		
ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare:		
6.38%, 8/01/34	$ 3,055	$ 3,275,143
6.25%, 8/01/39	3,775	4,484,851
Series A, 6.00%, 8/01/30	2,275	2,791,380
California Health Facilities Financing Authority, RB:		
Adventist Health System West, Series A, 5.75%, 9/01/39	6,655	7,723,527
Catholic Healthcare West, Series J, 5.63%, 7/01/32	7,000	7,739,970
Children s Hospital, Series A, 5.25%, 11/01/41	2,785	3,118,253
Scripps Health, Series A, 5.00%, 11/15/32	225	257,101
Scripps Health, Series A, 5.00%, 11/15/40	3,555	4,006,876
Sutter Health, Series A, 5.25%, 11/15/46	9,845	10,744,144
Sutter Health, Series B, 6.00%, 8/15/42	6,015	7,228,887
California Health Facilities Financing Authority, Refunding RB:		
Catholic Healthcare West, Series A, 6.00%, 7/01/29	1,000	1,191,250
Catholic Healthcare West, Series A, 6.00%, 7/01/34	4,400	5,215,892
Catholic Healthcare West, Series A, 6.00%, 7/01/39	3,050	3,603,788
Providence Health, 6.50%, 10/01/18 (b)	25	32,552
Providence Health, 6.50%, 10/01/38	4,090	4,944,401
California Statewide Communities Development Authority, RB, Series A Kaiser Permanente, 5.00%, 4/01/42	7,660	8,598,733
California Statewide Communities Development Authority, Refunding RB, Catholic Healthcare West:		
Series B, 5.50%, 7/01/30	2,960	3,306,734
Series E, 5.50%, 7/01/31	4,965	5,511,646
		83,775,128
State 8.3%		
California State Public Works Board, RB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	9,000	10,961,820
Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34	5,025	6,164,268
State of California, GO, Various Purpose:		
6.00%, 3/01/33	5,080	6,317,031
6.50%, 4/01/33	5,935	7,379,579

6.00%, 4/01/38	10,675	12,790,785
		43,613,483
Transportation 13.0%		
City of Los Angeles Department of Airports, RB, Los Angeles International Airports, Series B, 5.00%, 5/15/31	7,530	8,615,073
City of Los Angeles Department of Airports, Refunding RB:		
Los Angeles International Airport, Sub-Series C, 5.25%, 5/15/38	1,455	1,630,531
Series A, 5.00%, 5/15/34	6,025	6,832,531
City of San Jose California, Refunding ARB, California Airport, Series A-1, AMT:		
5.75%, 3/01/34	2,275	2,639,546
6.25%, 3/01/34	2,650	3,190,176
County of Orange California, ARB, Series B, 5.75%, 7/01/34	8,000	9,234,480
County of Sacramento California, ARB:		
PFC/Grant, Sub-Series D, 6.00%, 7/01/35	3,000	3,540,420
Senior Series B, 5.75%, 7/01/39	1,850	2,171,215
Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	6,467,833
San Diego County Regional Airport Authority, RB, Senior, Series B, AMT:		
5.00%, 7/01/38	3,000	3,373,170
5.00%, 7/01/43	3,220	3,602,665

Municipal Bonds	Par (000)	Value
California (concluded)		
Transportation (concluded)		
San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39	$ 6,750	$ 8,048,565
San Joaquin County Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A:		
6.00%, 3/01/36	2,880	3,594,413
5.50%, 3/01/41	5,000	5,922,750
		68,863,368
Utilities 18.3%		
Anaheim Public Financing Authority, RB, Anaheim Electric System Distribution Facilities:		
5.25%, 10/01/39	1,500	1,697,685
Series A, 5.38%, 10/01/36	7,690	9,095,501
California Infrastructure & Economic Development Bank, RB, California Independent System Operator, Series A, 6.25%, 2/01/39	5,500	5,991,425
Calleguas-Las Virgines Public Financing Authority California, RB, Calleguas Municipal Water District Project, Series A (NPFGC), 5.13%, 7/01/32	4,000	4,336,240

City of Chula Vista California, Refunding RB,		
San Diego Gas & Electric:		
Series D, 5.88%, 1/01/34	2,500	2,946,375
Series E, 5.88%, 1/01/34	6,500	7,660,575
City of Los Angeles California Wastewater		
System, Refunding RB:		
Series A, 5.00%, 6/01/39	2,000	2,236,220
Series A (NPFGC), 5.00%, 6/01/34	10,000	10,879,600
Sub-Series A, 5.00%, 6/01/32	4,000	4,631,280
City of Petaluma California Wastewater,		
Refunding RB, 6.00%, 5/01/36	5,625	6,909,919
Dublin-San Ramon Services District, Refunding		
RB, 6.00%, 8/01/41	2,425	2,948,655
Los Angeles Department of Water & Power,		
RB:		
Power System, Sub-Series A-1, 5.25%, 7/01/38	9,000	10,344,690
Series A, 5.38%, 7/01/34	3,050	3,578,870
Los Angeles Department of Water & Power,		
Refunding RB, Power System:		
Series A, 5.25%, 7/01/39	4,000	4,657,480
Sub-Series A-2, 5.00%, 7/01/30	2,200	2,239,116
San Diego County Water Authority, COP,		
Refunding, Series A (NPFGC), 5.00%, 5/01/32	1,850	1,860,046
San Diego Public Facilities Financing Authority,		
Refunding RB:		
Senior Series A, 5.25%, 5/15/34	9,520	10,944,763
Series A, 5.25%, 8/01/38	3,390	3,842,056
		96,800,496
Total Municipal Bonds in California		485,917,771
Multi-State 1.6%		
Housing 1.6%		
Centerline Equity Issuer Trust (c)(d):		
7.20%, 11/15/14	3,500	3,824,695
5.75%, 5/15/15	500	543,710
6.00%, 5/15/15	1,500	1,638,510
6.00%, 5/15/19	1,000	1,188,630
6.30%, 5/15/19	1,000	1,203,920
Total Municipal Bonds in Multi-State		8,399,465
Total Municipal Bonds 93.6%		494,317,236

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock California Municipal Income Trust (BFZ)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (e)	Par (000)	Value
California 69.7%		
County/City/Special District/School District 25.4%		
El Dorado Union High School District, GO, Election of 2008, 5.00%, 8/01/35	$ 5,020	$ 5,657,490
Los Angeles Community College District California, GO:		
Election of 2001, Series A (AGM), 5.00%, 8/01/32	8,000	9,148,720
Election of 2003, Series F-1, 5.00%, 8/01/33	5,000	5,736,300
Election of 2008, Series C, 5.25%, 8/01/39 (f)	12,900	15,651,699
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33	20,131	25,196,077
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	5,000	5,627,750
Mount San Antonio Community College District California, GO, Election of 2001, Series C (AGM), 5.00%, 9/01/31	10,770	11,602,736
Ohlone Community College District, GO, Series B (AGM), 5.00%, 8/01/30	12,499	13,921,787
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	2,000	2,208,120
San Diego Community College District California, GO:		
Election of 2002, 5.25%, 8/01/33	10,484	12,744,331
Election of 2006 (AGM), 5.00%, 8/01/32	9,000	10,398,060
San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series D, 5.00%, 8/01/32	14,625	16,492,882
		134,385,952
Education 14.1%		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (f)	10,395	12,171,818
Grossmont Union High School District, GO, Election of 2004, 5.00%, 8/01/33	13,095	14,497,678
Mount Diablo California Unified School District, GO, Election of 2002, 5.00%, 6/01/31	4,000	4,235,840
San Mateo County Community College District, GO, Election of 2005, Series B, 5.00%, 9/01/31	8,630	9,730,066
University of California, RB:		
Limited Project, Series D (AGM), 5.00%, 5/15/41	2,600	2,903,004
Series O, 5.75%, 5/15/34	12,300	14,899,769
University of California, Refunding RB, Limited Project, Series G, 5.00%, 5/15/37	13,841	16,045,203

		74,483,378
Transportation 1.1%		
City of Los Angeles California Department of Airports, Refunding RB, Los Angeles International Airport, Senior Series A, 5.00%, 5/15/40	4,999	5,656,185
Municipal Bonds Transferred to Tender Option Bond Trusts (e)	**Par (000)**	**Value**
California (concluded)		
Utilities 29.1%		
California State Department of Water Resources, Refunding RB, Central Valley Project, Series AE, 5.00%, 12/01/29	$ 7,000	$ 8,209,180
City of Napa California Water System, RB (AMBAC), 5.00%, 5/01/35	3,000	3,253,830
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35	3,000	3,259,530
Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33	18,002	20,362,917
Los Angeles Department of Water & Power, RB:		
Power System, Sub-Series A-1 (AMBAC), 5.00%, 7/01/37	15,998	18,018,904
Water System, Sub-Series A-2 (AGM), 5.00%, 7/01/35	2,000	2,245,060
Metropolitan Water District of Southern California, RB, Series A, 5.00%, 7/01/37	11,180	12,761,187
Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/37	14,700	16,508,247
Orange County Water District, COP, Refunding, 5.00%, 8/15/39	10,480	11,963,130
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33	14,290	16,152,844
San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.25%, 5/15/39	12,457	14,183,231
San Francisco City & County Public Utilities Commission, RB, Water System Improvement Project, Sub-Series A, 5.00%, 11/01/37	12,698	14,745,392
San Francisco City & County Public Utilities Commission, Refunding RB, Senior Series A, 5.00%, 11/01/35	10,625	12,236,347
		153,899,799
Total Municipal Bonds Transferred to Tender Option Bond Trusts 69.7%		368,425,314
Total Long-Term Investments (Cost $766,631,279) 163.3%		862,742,550

Short-Term Securities	**Shares**	
BIF California Municipal Money Fund, 0.00% (g)(h)	2,217,891	2,217,891
		2,217,891

Total Short-Term Securities (Cost $2,217,891) 0.4%	
Total Investments (Cost $768,849,170) 163.7%	864,960,441
Other Assets Less Liabilities 0.7%	3,894,870
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (32.0)%	(169,255,288)
VMTP Shares, at Liquidation Value (32.4)%	(171,300,000)
Net Assets Applicable to Common Shares 100.0%	$ 528,300,023

Notes to Schedule of Investments

(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 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.
(d)	Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
(e)	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.
(f)	All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements is $13,385,000.

See Notes to Financial Statements.

(g) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	Shares Held at July 31, 2012	Net Activity	Shares Held at January 31, 2013	Income
BIF California Municipal Money Fund	7,953,278	(5,735,387)	2,217,891	$17

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

Financial futures contracts as of January 31, 2013 were as follows:

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation
(150)	10-Year US Treasury Note	Chicago Board of Trade	March 2013	$19,692,188	$ 150,929

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 rating 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.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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 Trust s investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2013:

	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Investments:				
Long-Term Investments[1]		$ 862,742,550		$ 862,742,550
Short-Term Securities	$ 2,217,891			2,217,891
Total	$ 2,217,891	$ 862,742,550		$ 864,960,441

[1] See above Schedule of Investments for values in each sector.

	Level 1	**Level 2**	**Level 3**	**Total**

Derivative Financial Instruments[2]				
Liabilities:				
Interest rate contracts	$ 150,929			$ 150,929

[2] Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

Certain of the Trust s assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of January 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash pledged as collateral for financial futures contracts	$ 198,000			$ 198,000
Liabilities:				
Bank overdraft		$ (159,332)		(159,332)
TOB trust certificates		(169,154,073)		(169,154,073)
VMTP Shares		(171,300,000)		(171,300,000)
Total	$ 198,000	$ (340,613,405)		$(340,415,405)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Schedule of Investments January 31, 2013 (Unaudited)

BlackRock Florida Municipal 2020 Term Trust (BFO)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Florida 125.8%		
Corporate 4.1%		
Hillsborough County IDA, Refunding RB, Tampa Electric Co. Project, Series A, 5.65%, 5/15/18	$ 1,000	$ 1,191,920
Palm Beach County Solid Waste Authority, Refunding RB, 5.00%, 10/01/20	2,000	2,437,960
		3,629,880
County/City/Special District/School District 38.3%		
Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/22	2,500	2,900,200
Broward County School Board Florida, COP, Refunding, Series A, 5.00%, 7/01/20	2,000	2,382,760
City of Jacksonville Florida, Refunding RB, Better Jacksonville Sales Tax, 5.00%, 10/01/20	4,000	4,879,080
County of Hillsborough Florida, RB (AMBAC), 5.00%, 11/01/20	5,545	6,422,607
Florida State Board of Education, GO, Refunding:		
Capital Outlay, Series B, 5.00%, 6/01/20	485	594,169
Public Education, Series I, 5.00%, 6/01/18	385	394,933
Hillsborough County School Board, COP (NPFGC), 5.00%, 7/01/13 (a)	1,000	1,019,770
Miami-Dade County Educational Facilities Authority Florida, RB, University of Miami, Series A (AMBAC), 5.00%, 4/01/14 (a)	1,000	1,054,930
Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.25%, 5/01/21	4,000	4,719,480
Northern Palm Beach County Improvement District, Special Assessment Bonds, Refunding, Water Control & Improvement District No. 43, Series B (ACA), 4.50%, 8/01/22	1,000	1,020,820
Sterling Hill Community Development District, Special Assessment Bonds, Refunding, Series A, 6.10%, 5/01/23	3,490	3,139,709
Stevens Plantation Improvement Project Dependent Special District, RB, 6.38%, 5/01/13 (b)(c)	2,425	1,820,932
Village Center Community Development District, RB, Sub-Series B, 6.35%, 1/01/18	2,000	2,027,020
Village Community Development District No. 5 Florida, Special Assessment Bonds, Series A, 6.00%, 5/01/13 (a)	975	995,309
Watergrass Community Development District, Special Assessment Bonds, Series B, 5.13%, 11/01/14	955	756,503
		34,128,222
Education 2.9%		
Florida State Board of Governors, Refunding RB, University of Central Florida, Series A, 5.00%, 7/01/18	500	587,580
Florida State Higher Educational Facilities Financial Authority, Refunding RB, University of Tampa Project, Series A, 5.00%, 4/01/20	1,000	1,154,200
Orange County Educational Facilities Authority, RB, Rollins College Project (AMBAC), 5.25%, 12/01/22	725	853,136

		2,594,916
Health 15.3%		
Highlands County Health Facilities Authority, Refunding RB, Hospital, Adventist Health, Series I, 5.00%, 11/15/20	2,155	2,560,118
Hillsborough County IDA, RB, H. Lee Moffitt Cancer Center Project, Series A, 5.25%, 7/01/22	1,500	1,639,245
Marion County Hospital District Florida, Refunding RB, Health System, Munroe Regional, 5.00%, 10/01/22	1,500	1,661,685
Orange County Health Facilities Authority, Refunding RB, Mayflower Retirement Center:		
3.00%, 6/01/15	200	202,690
3.00%, 6/01/16	140	141,541
3.00%, 6/01/17	190	191,018
Municipal Bonds	**Par (000)**	**Value**
Florida (continued)		
Health (concluded)		
Orange County Health Facilities Authority, Refunding RB, Mayflower Retirement Center (concluded):		
3.25%, 6/01/18	$ 195	$ 197,853
3.50%, 6/01/19	200	203,466
Palm Beach County Health Facilities Authority, Refunding RB:		
Acts Retirement-Life Communities, Inc., 5.00%, 11/01/22	4,735	5,323,845
Bethesda Healthcare System Project, Series A (AGM), 5.00%, 7/01/20	1,285	1,547,513
		13,668,974
Housing 1.7%		
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 2, AMT (Ginnie Mae), 4.70%, 7/01/22	815	857,290
Jacksonville Housing Finance Authority, Refunding RB, Series A-1, AMT (Ginnie Mae), 5.63%, 10/01/39	270	288,725
Manatee County Housing Finance Authority, RB, Series A, AMT (Fannie Mae), 5.90%, 9/01/40	345	375,588
		1,521,603
State 22.6%		
Florida Municipal Loan Council, RB, Series D (AGM):		
5.00%, 10/01/19	1,050	1,248,398
4.00%, 10/01/20	1,105	1,245,169
4.00%, 10/01/21	500	562,665
Florida Municipal Loan Council, Refunding RB:		
CAB, Series A (NPFGC), 3.33%, 4/01/20 (d)	4,000	3,156,520
Series B-2 (AGM), 4.00%, 10/01/17	580	650,818
Series B-2 (AGM), 4.00%, 10/01/18	605	688,024
Series B-2 (AGM), 4.00%, 10/01/19	630	710,067
Series B-2 (AGM), 4.00%, 10/01/20	655	734,406
Florida State Board of Education, GO, Public Education, Series J (AMBAC), 5.00%, 6/01/13	6,150	6,307,870
Florida State Board of Education, GO, Refunding, Capital Outlay, Series B, 5.00%, 6/01/20	1,000	1,243,590
Florida State Department of Environmental Protection, Refunding RB, Series A, 5.00%, 7/01/20	3,000	3,640,470

		20,187,997
Transportation 18.1%		
Broward County Florida Airport System Revenue, Refunding RB, Series P-1, AMT, 5.00%, 10/01/20	2,500	2,965,125
Broward County Florida Port Facilities Revenue, Refunding RB, Series B, AMT, 5.00%, 9/01/20	2,500	2,956,900
County of Lee Florida Transportation Facilities, Refunding RB, Series B (AMBAC):		
5.00%, 10/01/20	2,250	2,412,787
5.00%, 10/01/22	3,000	3,210,300
County of Miami-Dade Florida Aviation Revenue, Refunding RB, Series A, AMT, 5.00%, 10/01/20	1,375	1,630,819
County of Miami-Dade Florida Transit System Sales Surtax Revenue, Refunding RB, 5.00%, 7/01/20	550	664,884
Greater Orlando Aviation Authority, Refunding RB, Series C, 5.00%, 10/01/20	1,130	1,390,115
Jacksonville Florida Port Authority, Refunding RB, AMT, 4.00%, 11/01/20	865	940,800
		16,171,730
Utilities 22.8%		
City of Deltona Florida, RB (NPFGC), 5.00%, 10/01/23	1,095	1,126,175
City of Marco Island Florida Utility System, RB (NPFGC):		
5.25%, 10/01/13 (a)	1,000	1,033,210
5.00%, 10/01/22	2,000	2,059,680
5.00%, 10/01/23	1,375	1,412,469
City of North Miami Beach Water Revenue, RB, 5.00%, 8/01/20	1,200	1,434,432
County of Miami-Dade Florida Water & Sewer System, Refunding RB, System, Series B (AGM), 5.25%, 10/01/19	4,000	4,903,480

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Florida Municipal 2020 Term Trust (BFO)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Florida (concluded)		
Utilities (concluded)		
Florida Governmental Utility Authority, RB, Golden Gate Utility System (AGM), 5.00%, 7/01/19	$ 510	$ 594,017
Florida Governmental Utility Authority, Refunding RB, Lehigh Utility (AGM), 5.00%, 10/01/20	635	750,456
Tohopekaliga Water Authority, RB, Series B (AGM):		
5.00%, 10/01/22	1,975	2,036,087
5.00%, 10/01/23	1,180	1,216,497
Tohopekaliga Water Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/21	3,630	3,742,784
		20,309,287
Total Municipal Bonds in Florida		112,212,609
Guam 0.4%		
Utilities 0.4%		
Guam Power Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/20	310	364,700
Puerto Rico 1.8%		
State 1.8%		
Commonwealth of Puerto Rico, GO, Public Improvement (AGM), 5.50%, 7/01/19	1,000	1,139,280
Puerto Rico Sales Tax Financing Corp., Refunding RB, Sales Tax Revenue, Series C, 5.00%, 8/01/22	415	494,564
Total Municipal Bonds in Puerto Rico		1,633,844
Total Municipal Bonds 128.0%		114,211,153

Municipal Bonds Transferred to Tender Option Bond Trusts (e)	Par (000)	Value
Housing 0.6%		
Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	$ 540	$570,920
Total Municipal Bonds Transferred to Tender Option Bond Trusts 0.6%		570,920
Total Long-Term Investments (Cost $109,014,188) 128.6%		114,782,073

Short-Term Securities	Shares

FFI Institutional Tax-Exempt Fund, 0.01% (f)(g)	57,308	57,308
Total Short-Term Securities		
(Cost $57,308) 0.1%		57,308
Total Investments (Cost $109,071,496) 128.7%		114,839,381
Other Assets Less Liabilities 1.0%		879,565
Liability for TOB Trust Certificates, Including		
Interest Expense and Fees Payable (0.4)%		(360,347)
AMPS, at Redemption Value (29.3)%		(26,100,000)
Net Assets Applicable to Common Shares		
100.0%		$ 89,258,599

Notes to Schedule of Investments

(a) 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.
(b) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
(c) Non-income producing security.
(d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
(e) 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.
(f) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	**Shares Held at July 31, 2012**	**Net Activity**	**Shares Held at January 31, 2013**	**Income**
BFI Florida Municipal Money Fund	781,042	(781,042)		$1,391
FFI Institutional Tax-Exempt Fund		57,308	57,308	$325

(g) 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.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments based on the pricing transparency of the investment and is not necessarily an indication of the risks 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 Trust s investments categorized in the disclosure hierarchy as of January 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$114,782,073		$114,782,07 3
Short-Term Securities	$57,308			57,308
Total	$57,308	$114,782,073		$ 114,839,381

1 See above Schedule of Investments for values in each sector.

Certain of the Trust s assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of January 31, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 103			$ 103
Liabilities:				
TOB trust certificates		$ (360,000)		(360,000)
Total	$ 103	$ (360,000)		$ (359,897)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Schedule of Investments January 31, 2013 (Unaudited)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 2.4%		
Alabama Incentives Financing Authority, RB, Series A, 5.00%, 9/01/42	$ 2,000	$ 2,265,040
Selma IDB, RB, International Paper Company Project, 5.38%, 12/01/35	275	303,969
		2,569,009
Alaska 0.3%		
Northern Tobacco Securitization Corp., Refunding RB, Asset Backed, Series A, 5.00%, 6/01/46	330	289,912
Arizona 0.5%		
Arizona Board of Regents, Refunding RB, Arizona State University System, Series A, 5.00%, 6/01/42	500	572,100
California 8.4%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	1,315	1,550,569
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39	890	1,051,597
Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45	1,000	1,085,950
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,750	2,011,468
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36	1,600	1,810,064
State of California, GO, Various Purpose, 6.00%, 3/01/33	1,275	1,585,475
		9,095,123
Colorado 1.6%		
City & County of Denver Colorado, Refunding ARB, Series B, 5.00%, 11/15/37	450	517,185
Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34	1,095	1,253,676
		1,770,861
Florida 1.3%		
City of Jacksonville Florida, Refunding RB, Better Jacksonville, Series A, 5.00%, 10/01/30	565	659,191
Watergrass Community Development District, Special Assessment Bonds, Series B, 5.13%, 11/01/14	955	756,503
		1,415,694
Georgia 1.8%		
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23	1,565	1,913,885
Illinois 15.6%		
Chicago Illinois Board of Education, GO, Series A:		
5.50%, 12/01/39	1,000	1,169,010
5.00%, 12/01/42	1,410	1,546,474
	75	85,563

Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40		
Chicago Transit Authority, RB, Sales Tax Receipts Revenue:		
5.25%, 12/01/31	1,060	1,246,518
5.25%, 12/01/36	310	357,777
City of Chicago Illinois, GARB, O Hare International Airport, Third Lien, Series C, 6.50%, 1/01/41	2,955	3,821,258
City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38	385	444,182
Cook County Forest Preserve District, GO, Series C, 5.00%, 12/15/32	285	328,240
Cook County Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/32	135	155,482
Illinois Finance Authority, RB:		
Carle Foundation, Series A, 6.00%, 8/15/41	1,000	1,200,300
Rush University Medical Center Obligation Group, Series B, 7.25%, 11/01/30	1,600	2,035,392

Municipal Bonds	**Par (000)**	**Value**
Illinois (concluded)		
Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	$ 1,900	$ 2,232,424
Metropolitan Pier & Exposition Authority, Refunding RB, Mccormick Place Project, Series B, 5.00%, 12/15/28	1,010	1,182,033
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	690	820,866
6.00%, 6/01/28	195	234,178
		16,859,697
Indiana 2.4%		
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	2,210	2,647,691
Kansas 3.4%		
Kansas Development Finance Authority, Refunding RB, Adventist Health System, Sunbelt Obligated Group:		
5.50%, 11/15/29	1,600	1,877,216
5.00%, 11/15/32	1,525	1,766,575
		3,643,791
Kentucky 1.3%		
Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	660	786,456
Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34	500	616,310
		1,402,766
Louisiana 0.8%		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	715	846,660
Maine 1.5%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32	1,270	1,631,112
Massachusetts 1.1%		

Massachusetts Health & Educational Facilities Authority, RB, Tufts University, 5.38%, 8/15/38	1,000	1,178,990
Michigan 3.3%		
Lansing Board of Water & Light Utilities System, RB, Series A, 5.50%, 7/01/41	915	1,084,009
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38	1,000	1,203,680
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	995	1,272,267
		3,559,956
Mississippi 1.9%		
Mississippi Development Bank, Refunding RB, Series A:		
Jackson Mississippi Water & Sewer System, 5.00%, 9/01/30	1,495	1,742,392
Jackson Public School District, 5.00%, 4/01/28	280	319,259
		2,061,651
Nevada 3.7%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,600	1,883,104
County of Clark Nevada, ARB, Series B, 5.75%, 7/01/42	1,825	2,126,417
		4,009,521
New Jersey 3.7%		
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,140	1,265,753
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A:		
5.88%, 12/15/38	1,295	1,527,168
5.50%, 6/15/41	1,000	1,162,130
		3,955,051

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York 6.3%		
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	$ 1,000	$ 1,193,310
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	605	718,940
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	3,250	3,800,582
New York State Dormitory Authority, RB, Series B, 5.00%, 3/15/42	1,000	1,144,800
		6,857,632
North Carolina 1.5%		
North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/32	1,335	1,569,920
Ohio 1.2%		
Ohio State University, RB, Special Purpose General Receipts, Series A:		
5.00%, 6/01/38	450	525,087
5.00%, 6/01/43	675	780,516
		1,305,603
Pennsylvania 3.5%		
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39	500	584,535
Pennsylvania Turnpike Commission, RB, Sub-Series A:		
5.63%, 12/01/31	1,250	1,470,813
6.00%, 12/01/41	1,500	1,702,590
		3,757,938
Puerto Rico 2.6%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37	2,605	2,815,692
Texas 16.0%		
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41	1,670	1,947,654
City of Houston Texas, Refunding RB, Utility System, Series D, 5.00%, 11/15/42	1,000	1,155,660
Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35	890	1,060,978
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	500	638,415
	560	647,130

Katy ISD Texas, GO, Refunding, Unlimited Tax School Building, Series A (PSF-GTD), 5.00%, 2/15/42		
Lower Colorado River Authority, Refunding RB:		
5.50%, 5/15/19 (a)	5	6,308
5.50%, 5/15/19 (a)	5	6,290
5.50%, 5/15/19 (a)	80	100,920
5.50%, 5/15/33	1,910	2,229,371
North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 9/01/41	1,000	1,190,420
North Texas Tollway Authority, Refunding RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38	1,000	1,130,100
North Texas Tollway Authority System, Refunding RB, First Tier, Series B, 5.00%, 1/01/42	1,070	1,192,858
Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45	1,905	2,259,768
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39	1,505	1,800,281
Texas Transportation Commission, Refunding RB, First Tier, Series A, 5.00%, 8/15/41	330	364,211
University of Texas System, Refunding RB, Financing System Series B, 5.00%, 8/15/43	1,355	1,591,854
		17,322,218

Municipal Bonds	**Par (000)**	**Value**
Utah 2.1%		
Utah Transit Authority, Refunding RB, Sales Tax Revenue, Subordinate, 5.00%, 6/15/42	$ 2,000	$ 2,260,040
Virginia 6.2%		
Fairfax County IDA, RB, Inova Health System Project, Series A, 5.00%, 5/15/40	520	591,094
Norfolk EDA, Refunding RB, Sentara Healthcare, Series B, 5.00%, 11/01/36	3,205	3,667,417
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/18 (a)	1,000	1,319,260
Virginia Resources Authority, RB, Infrastructure, 5.00%, 11/01/42	925	1,076,941
		6,654,712
Wisconsin 2.9%		
Wisconsin Health & Educational Facilities Authority, RB, Ascension Health, Series D, 5.00%, 11/15/41	925	1,041,818
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc.:		

Series A, 5.00%, 4/01/42	235	264,098
Series C, 5.25%, 4/01/39	1,675	1,861,746
		3,167,662
Total Municipal Bonds 97.3%		105,134,887

Municipal Bonds Transferred to Tender Option Bond Trusts (b)		
California 19.9%		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (c)	1,995	2,336,005
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40	2,400	2,691,120
Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 (c)	2,630	3,191,005
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33	3,898	4,879,082
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	400	450,220
San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39	4,214	4,934,586
University of California, RB, Series O, 5.75%, 5/15/34	1,500	1,817,045
University of California, Refunding RB, Series G, 5.00%, 5/15/37	1,000	1,159,336
		21,458,399
District of Columbia 3.5%		
District of Columbia, RB, Series A, 5.50%, 12/01/30 (c)	1,395	1,703,230
District of Columbia Water & Sewer Authority, Refunding RB, Series A, 5.50%, 10/01/39	1,799	2,091,395
		3,794,625
Florida 0.5%		
County of Miami-Dade Florida, RB, Transit System, Sales Surtax, 5.00%, 7/01/42	490	551,446
Illinois 4.0%		
City of Chicago Illinois, Refunding RB, Second Lien Water Project, 5.00%, 11/01/42	760	859,116
Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38	2,800	3,463,096
		4,322,212
Massachusetts 1.6%		
Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series B, 5.00%, 10/15/41	1,490	1,718,000

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Income Investment Trust (BBF)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (b)	Par (000)	Value
Nevada 5.0%		
Clark County Water Reclamation District, GO:		
Limited Tax, 6.00%, 7/01/38	$ 2,500	$ 3,020,875
Series B, 5.50%, 7/01/29	1,994	2,436,382
		5,457,257
New Hampshire 1.2%		
New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (c)	1,094	1,288,129
New Jersey 3.8%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A (AGM), 5.00%, 12/15/32	2,000	2,269,720
Series B, 5.25%, 6/15/36	1,640	1,879,965
		4,149,685
New York 13.7%		
New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40	1,410	1,681,156
New York City Municipal Water Finance Authority, Refunding RB:		
Series FF, 5.00%, 6/15/45	1,500	1,708,728
Series FF-2, 5.50%, 6/15/40	1,994	2,354,185
New York City Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	1,500	1,683,307
New York City Transitional Finance Authority, RB, Second Sub-Series E-1, 5.00%, 2/01/42	860	988,001
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	2,205	2,536,906
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51	1,300	1,542,294
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	2,000	2,338,820
		14,833,397
Ohio 1.6%		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	1,560	1,751,240

Municipal Bonds Transferred to Tender Option Bond Trusts (b)	Par (000)	Value
Puerto Rico 0.9%		
Puerto Rico Sales Tax Financing Corp., Refunding RB, Sales Tax, Senior Series C, 5.25%, 8/01/40	$ 880	$ 957,299
Texas 6.3%		
City of San Antonio Texas, Refunding RB, Electric & Gas Systems, Series A, 5.25%, 2/01/31 (c)	2,025	2,411,200

Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children s Hospital Project, 5.50%, 10/01/39	2,750	3,242,525
Waco Educational Finance Corp., Refunding RB, Baylor University, 5.00%, 3/01/43	1,005	1,150,856
		6,804,581
Virginia 1.0%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	899	1,036,257
Washington 1.5%		
University of Washington, Refunding RB, Series A, 5.00%, 7/01/41	1,380	1,605,832
Total Municipal Bonds Transferred to Tender Option Bond Trusts 64.5%		69,728,359
Total Long-Term Investments (Cost $154,686,037) 161.8%		174,863,246

Short-Term Securities	**Shares**	
FFI Institutional Tax-Exempt Fund, 0.01% (d)(e)	975,638	975,638
Total Short-Term Securities (Cost $975,638) 0.9%		975,638
Total Investments (Cost $155,661,675) 162.7%		175,838,884
Other Assets Less Liabilities 1.5%		1,631,509
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (32.6)%		(35,212,612)
VRDP Shares, at Liquidation Value (31.6)%		(34,200,000)
Net Assets Applicable to Common Shares 100.0%		$ 108,057,781

Notes to Schedule of Investments

(a) 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.

(b) 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.

(c) All or a portion of security is subject to a recourse agreement, which may require the Trust to pay the liquidity provider in the event there is a shortfall between the TOB trust certificates and proceeds received from the sale of the security contributed to the TOB trust. In the case of a shortfall, the aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements is $5,653,992

(d) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	**Shares Held at July 31,**	**Net Activity**	**Shares Held at January**	**Income**

	2012		31, 2013	
FFI Institutional Tax-Exempt Fund	1,631,769	(656,131)	975,638	$119

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

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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)

See Notes to Financial Statements.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks 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 Trust s investments categorized in the disclosure hierarchy as of January 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$174,863,246		$174,863,246
Short-Term Securities	$ 975,638			975,638
Total	$ 975,638	$174,863,246		$175,838,884

[1] See above Schedule of Investments for values in each state or political subdivision.

Certain of the Trust s liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of January 31, 2013, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total

Liabilities:		
TOB trust certificates	$ (35,195,790)	$ (35,195,790)
VRDP Shares	(34,200,000)	(34,200,000)
Total	$ (69,395,790)	$ (69,395,790)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Schedule of Investments January 31, 2013 (Unaudited)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 0.5%		
Phenix City Industrial Development Board, Refunding RB, Meadwestvaco Coated Board Project, Series A, 3.63%, 5/15/30	$ 5,850	$ 5,744,934
Prattville IDB Alabama, RB, International Paper Co. Project, Series A, AMT, 4.75%, 12/01/30	2,500	2,503,125
		8,248,059
Alaska 0.6%		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 4.63%, 6/01/23	10,275	10,311,990
Arizona 3.0%		
Arizona Department of Transportation State Highway Fund Revenue, Refunding RB, Sub-Series A:		
4.00%, 7/01/30	10,000	10,874,800
5.00%, 7/01/30	27,740	33,064,138
Arizona Health Facilities Authority, Refunding RB, Phoenix Children s Hospital, Series A, 5.00%, 2/01/34	6,340	6,895,194
		50,834,132
California 14.8%		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Odd Fellows Home California, Series A, 5.00%, 4/01/32	4,500	5,089,500
Alameda Corridor Transportation Authority, Refunding RB, CAB, Sub Lien, Series A (AMBAC), 4.93%, 10/01/30 (a)	10,530	4,454,085
California Health Facilities Financing Authority, Refunding RB, Adventist Health System/West, Series A (b):		
4.00%, 3/01/27	4,270	4,479,614
4.00%, 3/01/28	8,490	8,811,262
4.00%, 3/01/33	50,000	51,082,500
California HFA, RB, S/F Mortgage, Series I, AMT, 4.70%, 8/01/26	10,000	10,037,200
California Pollution Control Financing Authority, RB, Poseidon Resources Desalination Project, AMT, 5.00%, 7/01/30	18,845	20,112,703
California State Public Works Board, RB:		
Series D, 5.00%, 9/01/28	5,090	5,827,337
Series D, 5.00%, 9/01/29	5,350	6,114,087
Series D, 5.00%, 9/01/30	2,620	2,989,551
Series D, 5.00%, 9/01/31	2,905	3,304,525
Series D, 5.00%, 9/01/32	6,060	6,884,342
Series D, 5.00%, 9/01/33	3,530	4,007,079
Series E, 5.00%, 9/01/28	2,240	2,564,486
Series E, 5.00%, 9/01/29	2,355	2,691,341
Series E, 5.00%, 9/01/30	2,475	2,824,099
Series E, 5.00%, 9/01/31	2,600	2,957,578
Series E, 5.00%, 9/01/32	2,280	2,590,148
Series E, 5.00%, 9/01/33	2,870	3,257,881

Municipal Bonds	Par (000)	Value
California Statewide Communities Development Authority, RB, American Baptist Homes of the West, Series A (b):		
5.00%, 10/01/23	500	578,130
5.00%, 10/01/28	650	718,114
5.00%, 10/01/33	1,000	1,084,480
California Statewide Communities Development Authority, Refunding RB:		
Episcopal Communities & Services, 5.00%, 5/15/27	500	562,815
Episcopal Communities & Services, 5.00%, 5/15/32	1,000	1,109,650
Eskaton Properties, Inc., 5.25%, 11/15/34	2,500	2,673,525
Corona-Norco Unified School District, Special Tax Bonds, Senior Lien, Series A, 5.00%, 9/01/32	1,250	1,378,525
California (concluded)		
El Camino Community College District, GO, CAB, Election of 2002, Series C (a):		
3.83%, 8/01/30	$ 9,090	$ 4,679,805
3.92%, 8/01/31	12,465	6,078,433
3.99%, 8/01/32	17,435	8,069,441
Grossmont Union High School District, GO, CAB, Election of 2004, 4.55%, 8/01/32 (a)	29,015	12,067,338
Los Angeles County Public Works Financing Authority, Refunding RB, Multiple Capital Projects II:		
5.00%, 8/01/30	2,500	2,857,325
5.00%, 8/01/31	3,000	3,407,760
5.00%, 8/01/32	3,000	3,397,320
5.00%, 8/01/33	2,500	2,831,100
Los Angeles Regional Airports Improvement Corp., Refunding RB, LAXFUEL Corp., Los Angeles International, AMT:		
4.50%, 1/01/27	5,000	5,423,900
5.00%, 1/01/32	4,110	4,548,742
Poway Unified School District, GO, Election of 2008, Series A (a):		
3.91%, 8/01/27	10,000	5,703,600
4.20%, 8/01/30	10,000	4,831,700
4.49%, 8/01/32	12,500	5,258,625
Poway Unified School District Public Financing Authority, Special Tax Bonds, Refunding (b):		
5.00%, 9/15/26	935	1,058,495
5.00%, 9/15/29	1,205	1,344,876
5.00%, 9/15/32	1,000	1,103,120
Riverside Public Financing Authority, Tax Allocation Bonds, University Corridor/Sycamore Canyon Merged Redevelopment Project, Series C (NPFGC), 4.50%, 8/01/30	10,000	10,117,800
San Francisco City & County Redevelopment Agency, Special Tax Bonds, Refunding, No. 6 Mission Bay South Public Improvements, Series A:		
5.00%, 8/01/28	1,000	1,071,860
5.00%, 8/01/29	1,300	1,389,193

5.00%, 8/01/33	1,335	1,413,658
Westlands California Water District, Refunding RB, Series A (AGM):		
5.00%, 9/01/30	1,000	1,166,390
5.00%, 9/01/31	1,000	1,162,770
5.00%, 9/01/32	1,000	1,155,560
		248,323,368
Colorado 8.3%		
Colorado Health Facilities Authority, Refunding RB, Covenant Retirement Communities, Series A:		
4.50%, 12/01/33	4,595	4,640,536
5.00%, 12/01/33	3,000	3,206,520
Commerce City, Colorado-Northern Infrastructure General Improvement District, GO, Refunding, Improvement (AGM) (b):		
5.00%, 12/01/26	2,770	3,277,741
5.00%, 12/01/28	1,560	1,828,273
5.00%, 12/01/29	1,070	1,252,018
5.00%, 12/01/31	500	577,220
5.00%, 12/01/32	800	912,656
Denver West Metropolitan District, GO, Refunding, Series A (AGM), 4.00%, 12/01/32	6,250	6,586,125
Plaza Metropolitan District No 1, Tax Allocation Bonds, Refunding:		
4.00%, 12/01/23	1,000	1,007,250
4.10%, 12/01/24	5,080	5,096,104
4.20%, 12/01/25	5,280	5,309,357
4.50%, 12/01/30	4,305	4,345,682

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Colorado (concluded)		
Regional Transportation District, RB, Fastracks Project, Series A:		
5.00%, 11/01/29	$28,960	$ 35,049,709
5.00%, 11/01/31	47,075	56,478,702
5.00%, 11/01/32	4,595	5,495,482
University of Colorado Hospital Authority, RB, Series A, 5.00%, 11/15/27	4,000	4,677,760
		139,741,135
Connecticut 0.8%		
Connecticut Housing Finance Authority, Refunding RB, Housing Mortgage Finance Program, Sub-Series F-1, 3.00%, 11/15/32	13,270	13,330,909
Florida 10.8%		
City of Jacksonville, Refunding RB, Series C:		
5.00%, 10/01/25	2,000	2,423,120
5.00%, 10/01/27	4,000	4,779,880
5.00%, 10/01/28	4,720	5,598,298
4.00%, 10/01/30	6,965	7,533,344
5.00%, 10/01/31	2,000	2,357,320
5.00%, 10/01/32	1,250	1,465,250
City of North Miami Beach, Refunding RB:		
4.00%, 8/01/27	3,325	3,594,657
5.00%, 8/01/29	3,650	4,233,197
5.00%, 8/01/30	4,020	4,640,809
5.00%, 8/01/31	4,235	4,873,934
5.00%, 8/01/32	4,445	5,080,324
City of Tampa Florida, Refunding RB, H Lee Moffitt Cancer Center Project, Series A, 4.00%, 9/01/33	10,000	10,175,200
Hillsborough County IDA, RB, National Gypsum Co., Series A, AMT, 7.13%, 4/01/30	7,300	7,307,373
Jacksonville Florida Port Authority, Refunding RB, AMT:		
4.50%, 11/01/29	4,685	4,926,465
4.50%, 11/01/30	2,895	3,029,820
4.50%, 11/01/31	3,200	3,349,024
4.50%, 11/01/32	2,300	2,391,977
4.50%, 11/01/33	2,080	2,152,966
Miami-Dade County, Refunding RB, Sub-Series B, 5.00%, 10/01/32	10,000	11,308,400
Miami-Dade County Educational Facilities Authority, RB, University Of Miami, Series A:		
5.00%, 4/01/28	1,000	1,161,720
5.00%, 4/01/29	1,650	1,905,948
5.00%, 4/01/30	1,695	1,948,402
4.00%, 4/01/31	2,930	3,077,350

4.00%, 4/01/32	1,000	1,047,660
Palm Beach County Solid Waste Authority, Refunding RB,		
5.00%, 10/01/31	5,000	5,749,750
State County Johns FL Water & Sewer Revenue, Refunding		
RB, CAB, Series B (a)(b):		
3.39%, 6/01/25	2,155	1,435,058
3.46%, 6/01/26	2,655	1,683,084
3.53%, 6/01/27	3,095	1,878,541
3.67%, 6/01/28	3,795	2,167,666
3.78%, 6/01/29	3,795	2,063,911
3.87%, 6/01/30	2,000	1,028,120
3.96%, 6/01/31	1,295	630,121
4.00%, 6/01/32	1,295	602,188
Tampa-Hillsborough County Expressway Authority, Refunding		
RB, Series A:		
5.00%, 7/01/27	2,500	2,936,600
5.00%, 7/01/28	2,500	2,918,625
4.00%, 7/01/29	6,000	6,292,800
4.00%, 7/01/30	6,395	6,665,125
5.00%, 7/01/31	7,520	8,665,672
5.00%, 7/01/32	8,405	9,619,102

Municipal Bonds	**Par (000)**	**Value**
Florida (concluded)		
Village Community Development District No 1, Special		
Assessment Bonds, Sumpter County:		
4.50%, 5/01/23	$ 3,875	$ 3,843,380
5.00%, 5/01/32	6,000	5,926,500
Village Community Development District No 5, Special		
Assessment Bonds, Phase I (b):		
3.50%, 5/01/28	2,165	2,137,180
3.50%, 5/01/28	4,160	4,106,544
4.00%, 5/01/33	1,250	1,254,112
4.00%, 5/01/34	2,640	2,648,686
Village Community Development District No 6, Special		
Assessment Bonds, 4.00%, 5/01/29 (b)	6,595	6,707,049
		181,322,252
Guam 0.7%		
Guam Power Authority, Refunding RB, Series A (AGM),		
5.00%, 10/01/30	10,000	11,273,200
Hawaii 2.3%		
State of Hawaii, GO, Series EE:		
5.00%, 11/01/27	6,000	7,367,520
5.00%, 11/01/28	7,000	8,566,740
5.00%, 11/01/29	6,000	7,307,940
3.00%, 11/01/30	15,285	15,159,663
		38,401,863
Idaho 0.6%		
Idaho Housing and Finance Association, RB, Series A, 4.00%,		
7/15/30	10,000	10,606,200

Illinois 6.6%		
City of Chicago Illinois, GO, Project, Series A, 5.00%, 1/01/33	10,000	11,164,500
City of Chicago Illinois, GO, CAB (NPFGC), 4.06%, 1/01/27 (a)	5,000	2,857,900
City of Chicago Illinois, Refunding RB, O Hare International Airport Passenger Facility Charge, Series B, AMT:		
4.00%, 1/01/27	5,000	5,151,250
4.00%, 1/01/29	28,425	28,971,613
Cook County, GO, Refunding, Series C:		
4.00%, 11/15/29	19,750	21,171,210
5.00%, 11/15/29	21,500	25,083,405
5.00%, 11/15/33	3,000	3,472,470
Illinois Finance Authority, Refunding RB, Lutheran Home & Services Obligated Group:		
5.00%, 5/15/22	4,835	5,084,051
5.50%, 5/15/27	4,350	4,622,614
5.50%, 5/15/30	3,400	3,563,438
		111,142,451
Indiana 3.3%		
Carmel Redevelopment Authority, Refunding RB, Multipurpose, Series A,		
4.00%, 8/01/30	9,345	10,032,512
4.00%, 8/01/33	8,500	9,060,405
Indiana Finance Authority, Refunding RB:		
Community Health Network Project, Series A, 4.00%, 5/01/35	23,565	23,960,892
Earlham College Project, 5.00%, 10/01/32	11,255	12,941,336
		55,995,145
Louisiana 2.0%		
Louisiana Stadium & Exposition District, Refunding RB, Senior, Series A:		
5.00%, 7/01/26	5,000	5,881,500
5.00%, 7/01/27	3,770	4,414,406
5.00%, 7/01/28	4,420	5,141,211
5.00%, 7/01/29	3,000	3,469,320
5.00%, 7/01/30	5,000	5,753,500

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Louisiana (concluded)		
Louisiana Stadium & Exposition District, Refunding RB, Senior, Series A (concluded):		
5.00%, 7/01/31	$ 5,105	$ 5,874,324
5.00%, 7/01/32	3,000	3,440,700
		33,974,961
Maine 1.3%		
Maine Health & Higher Educational Facilities Authority, RB, Eastern Maine Medical Center Obligation:		
5.00%, 7/01/25	1,250	1,420,638
5.00%, 7/01/26	1,000	1,127,640
5.00%, 7/01/27	1,000	1,121,610
3.75%, 7/01/28	1,000	989,580
5.00%, 7/01/33	5,000	5,525,600
Maine State Housing Authority, Refunding RB, Series B, AMT, 3.45%, 11/15/32 (b)	12,000	12,059,160
		22,244,228
Massachusetts 3.3%		
Massachusetts HFA, Refunding RB, S/F Housing, Series 160, AMT, 4.00%, 12/01/32	1,000	1,013,190
Massachusetts School Building Authority, Refunding RB, Series B, 5.00%, 8/15/29	44,705	54,476,619
		55,489,809
Michigan 0.6%		
Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group, Series 2008-C, 4.00%, 12/01/32	9,195	9,506,159
Minnesota 1.0%		
State of Minnesota, Refunding RB, General Fund Appropriation, Series B:		
5.00%, 3/01/29	6,060	7,289,574
3.00%, 3/01/30	10,000	9,828,800
		17,118,374
Nebraska 1.4%		
Central Plains Energy Project, RB, Project No. 3:		
5.00%, 9/01/27	7,010	7,903,284
5.00%, 9/01/32	14,500	16,222,020
		24,125,304
New Hampshire 0.4%		
New Hampshire Health & Education Facilities Authority, Refunding RB, Concord Hospital, Series A (b):		
5.00%, 10/01/26	1,075	1,245,603
5.00%, 10/01/27	1,180	1,361,720
4.00%, 10/01/33	3,500	3,593,135
		6,200,458
New Jersey 15.9%		

New Jersey Economic Development Authority, Refunding RB:		
4.25%, 6/15/27	16,500	17,455,350
School Facilities Construction, 5.00%, 3/01/30	74,000	86,232,940
New Jersey EDA, RB, Continental Airlines, Inc. Project, AMT:		
5.25%, 9/15/29	12,230	12,463,226
7.20%, 11/15/30 (c)	10,100	10,137,875
New Jersey EDA, Refunding RB:		
5.00%, 6/15/26	10,610	12,094,763
Cigarette Tax, 5.00%, 6/15/25	15,000	17,191,800
Continental Airlines, Inc. Project, AMT, 5.75%, 9/15/27	6,200	6,384,202
New Jersey Health Care Facilities Financing Authority, Refunding RB, Barnabas Health, Series A, 4.00%, 7/01/26	3,000	3,182,460

Municipal Bonds	Par (000)	Value
New Jersey (concluded)		
New Jersey Transportation Trust Fund Authority, RB, CAB, Transportation Systems:		
Series A, 4.07%, 12/15/28 (a)	$36,000	$ 18,991,800
Series A, 4.13%, 12/15/29 (a)	18,000	9,030,780
Series AA, 4.00%, 6/15/29	12,625	13,585,258
Series AA, 4.00%, 6/15/30	22,315	23,862,099
Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 5.25%, 1/01/27	5,000	5,902,750
Tobacco Settlement Financing Corp. New Jersey, Refunding RB, Series 1-A:		
4.50%, 6/01/23	9,895	9,870,164
4.63%, 6/01/26	22,460	21,794,959
		268,180,426
New York 7.5%		
Housing Development Corp., RB, Series K-1:		
3.40%, 11/01/30	8,070	8,005,924
3.50%, 11/01/32	5,865	5,806,936
Housing Development Corp., Refunding RB, Series L-1:		
3.40%, 11/01/30	1,580	1,567,455
3.50%, 11/01/32	1,160	1,148,516
Metropolitan Transportation Authority, Refunding RB:		
Series A, 4.00%, 11/15/31	12,300	13,347,099
Series F, 5.00%, 11/15/30	38,000	44,403,760
New York State HFA, RB, Affordable Housing (SONYMA):		
Series E, 3.00%, 11/01/30	5,225	5,091,083
Series F, 3.05%, 11/01/27	4,020	4,015,136
Series F, 3.45%, 11/01/32	5,235	5,284,471
Niagara Area Development Corp., Refunding RB, Covanta Energy Project, Series B, 4.00%, 11/01/24	3,000	3,078,210
Onondaga Civic Development Corp., RB, Saint Joseph s Hospital Health Center Project, 4.50%, 7/01/32	9,215	9,085,529
Triborough Bridge & Tunnel Authority, Refunding RB, CAB, Series A (a):		
3.47%, 11/15/29	17,810	9,996,041
3.55%, 11/15/30	25,215	13,485,991

3.67%, 11/15/31	5,000	2,524,250
		126,840,401
North Carolina 2.1%		
City of Charlotte North Carolina, Refunding RB, Charlotte-Douglas International Airport, Special Facilities Revenue, US Airway, Inc. Project, AMT, 5.60%, 7/01/27	10,000	9,853,800
North Carolina Capital Facilities Finance Agency, Refunding RB:		
Duke Energy Carolinas, 4.38%, 10/01/31	11,565	12,449,376
Solid Waste Disposal, Duke Energy Carolinas Project, Series B, 4.38%, 10/01/31	10,000	10,764,700
North Carolina Medical Care Commission, RB, Mission Health Combined Group, 4.63%, 10/01/30	2,000	2,166,680
		35,234,556
North Dakota 0.2%		
North Dakota HFA, RB, Series A, 3.60%, 7/01/32	2,945	2,984,934
Ohio 2.5%		
Ohio State University, RB, General Receipts Special Purpose, Series A:		
4.00%, 6/01/29	4,000	4,367,880
4.00%, 6/01/30	9,670	10,487,598
4.00%, 6/01/31	14,220	15,356,747
4.00%, 6/01/32	10,285	11,060,078
		41,272,303

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Oklahoma 0.2%		
Oklahoma County Finance Authority, Refunding RB, Epworth Villa Project, Series A:		
5.00%, 4/01/23	$ 1,050	$ 1,119,762
5.00%, 4/01/29	1,500	1,543,245
5.00%, 4/01/33	1,050	1,066,139
		3,729,146
Oregon 2.3%		
Oregon Health & Science University, Refunding RB, Series E:		
4.00%, 7/01/29	12,000	12,835,440
5.00%, 7/01/30	5,350	6,198,189
4.00%, 7/01/31	15,305	16,254,981
5.00%, 7/01/32	2,250	2,612,723
		37,901,333
Pennsylvania 10.5%		
Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A:		
5.00%, 5/01/27	6,750	7,509,982
5.00%, 5/01/28	5,000	5,538,000
5.00%, 5/01/29	3,745	4,132,495
5.00%, 5/01/30	5,300	5,843,992
Commonwealth Financing Authority, RB:		
Series A-2, 5.00%, 6/01/31	7,505	8,698,820
Series B, 5.00%, 6/01/30	7,360	8,550,259
Series B, 5.00%, 6/01/31	7,730	8,959,611
Series B, 5.00%, 6/01/32	8,115	9,377,288
Cumberland County Municipal Authority, Refunding RB, Asbury Pennsylvania Obligation Group:		
5.00%, 1/01/22	750	793,073
5.25%, 1/01/27	1,275	1,335,958
5.25%, 1/01/32	2,000	2,074,120
Lehigh County, Refunding RB, Lehigh Valley Health Network, 4.00%, 7/01/33	27,535	28,518,826
Montgomery County Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital Obligation Group, 5.00%, 6/01/31	5,000	5,660,650
Montgomery County Industrial Development Authority, Refunding RB, Acts Retirement-Life Communities, Inc. Obligated Group, 5.00%, 11/15/26	2,500	2,810,050
Pennsylvania Economic Development Financing Authority, RB, AMT, National Gypsum Co.:		
Series A, 6.25%, 11/01/27	6,520	6,519,348
Series B, 6.13%, 11/01/27	3,000	2,975,250
Pennsylvania Higher Educational Facilities Authority, RB, Shippensburg University Student Services, 5.00%, 10/01/30	3,000	3,319,530

Pennsylvania Higher Educational Facilities Authority, Refunding RB, La Salle University, 4.00%, 5/01/32	3,000	3,009,480
Pennsylvania Housing Finance Agency, RB, Series 114, AMT:		
3.05%, 10/01/27	1,000	998,800
3.30%, 10/01/32	20,500	20,178,150
State Public School Building Authority, RB, School District of Philadelphia Project:		
5.00%, 4/01/27	4,130	4,714,643
5.00%, 4/01/28	8,000	9,054,320
5.00%, 4/01/29	6,000	6,755,400
5.00%, 4/01/30	5,500	6,169,405
State Public School Building Authority, Refunding RB, School District of Philadelphia Project, Series B (AGM), 5.00%, 6/01/29	11,345	13,447,909
		176,945,359

Municipal Bonds	**Par (000)**	**Value**
South Carolina 0.4%		
South Carolina Jobs-EDA, Refunding RB, Bon Secours Health System, Inc., 5.00%, 11/01/29	$ 6,000	$ 6,762,540
Texas 9.5%		
City of Austin,Texas, Refunding RB, Electric Utility System Revenue, Series A:		
4.00%, 11/15/28	2,850	3,125,595
4.00%, 11/15/29	3,840	4,170,317
4.00%, 11/15/30	10,235	11,043,156
4.00%, 11/15/31	10,645	11,429,536
4.00%, 11/15/32	11,060	11,851,011
Clifton Higher Education Finance Corp., Refunding RB, Uplift Education, Series A:		
3.10%, 12/01/22	1,050	1,044,687
3.95%, 12/01/32	1,800	1,801,386
Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, AMT, 5.00%, 11/01/28	5,750	6,263,475
Lower Colorado River Authority, Refunding RB, Series B, 5.00%, 5/15/29	4,770	5,563,442
Matagorda County Navigation District No 1 Texas, Refunding RB (AMBAC):		
Series A, 4.40%, 5/01/30	30,730	32,382,967
Series B, AMT, 4.55%, 5/01/30	10,000	10,366,000
Midland County Fresh Water Supply District No 1, RB, City of Midland Project, Series A, 5.00%, 9/15/31	2,435	2,895,361
Midland County Fresh Water Supply District No 1, RB, CAB, City of Midland Project, Series A (a):		
3.96%, 9/15/31	6,235	3,005,831
4.18%, 9/15/32	15,135	6,724,934
Red River Health Facilities Development Corp., RB, Wichita Falls Retirement Foundation Project:		
4.70%, 1/01/22	1,000	1,017,760
5.50%, 1/01/32	1,000	1,036,300

Texas Municipal Gas Acquisition & Supply Corp. III, RB, Natural Gas Utility Improvements:		
5.00%, 12/15/30	18,000	19,562,580
5.00%, 12/15/31	14,000	15,192,660
5.00%, 12/15/32	11,000	11,908,050
		160,385,048
US Virgin Islands 0.7%		
Virgin Islands Public Finance Authority, Refunding RB, Gross Receipts Taxes Loan Note, Series A, 5.00%, 10/01/32	10,000	10,979,700
Vermont 0.2%		
Vermont EDA, Refunding MRB, Wake Robin Corp. Project, 5.40%, 5/01/33	2,400	2,534,640
Virginia 4.8%		
Dullles Town Center Community Development Authority, Special Assessment Bonds, Dulles Town Center Project, 4.25%, 3/01/26	500	495,035
Fairfax County EDA, RB, Vinson Hall Llc, Series A:		
4.00%, 12/01/22	505	505,384
4.50%, 12/01/32	2,840	2,767,069
5.00%, 12/01/32	2,000	2,046,940
Fairfax County IDA, Refunding RB, Inova Health System, Series D:		
5.00%, 5/15/27	9,025	10,622,605
5.00%, 5/15/28	8,000	9,359,120
4.00%, 5/15/29	8,575	9,150,554
Hanover County EDA, Refunding RB, Covenant Woods, Series A:		
4.50%, 7/01/30	3,000	2,939,550
4.50%, 7/01/32	1,100	1,063,975
Henrico County EDA, Refunding RB, Bon Secours Health System, 5.00%, 11/01/30	3,400	3,812,080

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Virginia (concluded)		
Norfolk EDA, Refunding RB, Bon Secours Health System, Inc.:		
5.00%, 11/01/28	$ 5,000	$ 5,690,050
5.00%, 11/01/29	5,000	5,648,700
Virginia Housing Development Authority, RB, Sub-Series C-2, 3.00%, 4/01/31	23,200	22,980,992
Virginia Small Business Financing Authority, RB, Senior Lien, Express Lanes LLC, AMT, 5.00%, 7/01/34	3,940	4,097,915
		81,179,969
Washington 0.7%		
Greater Wenatchee Regional Events Center Public Facilities District, Refunding RB, Series A:		
3.50%, 9/01/18	1,025	1,050,615
3.75%, 9/01/19	1,060	1,090,528
4.13%, 9/01/21	1,145	1,179,625
4.50%, 9/01/22	1,000	1,046,750
5.00%, 9/01/27	1,000	1,062,550
5.25%, 9/01/32	1,000	1,059,420
Port of Seattle Industrial Development Corp., Refunding RB, Special Facilities, Delta Airline, Inc. Project, AMT, 5.00%, 4/01/30	5,000	5,040,500
		11,529,988
Wisconsin 0.4%		
Public Finance Authority, Refunding RB, Airport Facilities, Senior Series B, AMT, 5.25%, 7/01/28	2,250	2,452,208
Wisconsin Health & Educational Facilities Authority, Refunding RB, Marquette University, 4.00%, 10/01/32	4,520	4,756,938
		7,209,146
Total Municipal Bonds 120.2%		2,021,859,486

Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
California 7.7%		
Anaheim California Public Financing Authority, Refunding RB, Electric Distribution System, Series A:		
4.00%, 10/01/29	15,800	16,984,134

4.00%, 10/01/30	16,425	17,655,975
4.00%, 10/01/31	17,080	18,360,064
Port of Oakland California, Refunding RB, Senior Lien, Series P, AMT:		
5.00%, 5/01/29	6,685	7,269,507
4.50%, 5/01/30	32,220	35,037,175
5.00%, 5/01/31	10,675	11,608,375
4.50%, 5/01/32	21,355	23,222,188
		130,137,418
Colorado 7.4%		
City & County of Denver Colorado, Refunding ARB, Department of Aviation, Series A:		
4.25%, 11/15/30	35,210	37,612,819
4.00%, 11/15/31	37,875	39,849,021
4.25%, 11/15/31	8,085	8,636,741
4.25%, 11/15/32	2,230	2,382,181
AMT, 4.25%, 11/15/29	33,820	36,127,961
		124,608,723
Florida 5.9%		
County of Broward Florida, ARB, Series Q-1:		
4.00%, 10/01/29	17,200	17,957,436
4.00%, 10/01/30	18,095	18,891,850
4.00%, 10/01/31	18,820	19,648,776
4.00%, 10/01/32	19,575	20,437,024
4.00%, 10/01/33	20,355	21,251,373
		98,186,459

Municipal Bonds Transferred to Tender Option Bond Trusts (d)	Par (000)	Value
Illinois 2.6%		
City of Chicago Illinois, RB, Second Lien, Wastewater Transmission Project:		
4.00%, 1/01/31	$10,375	$ 10,809,583
4.00%, 1/01/32	10,790	11,241,966
4.00%, 1/01/33	11,220	11,689,978
4.00%, 1/01/35	9,135	9,517,642
		43,259,169
Iowa 2.6%		
Iowa State Board of Regents, RB, University of Iowa Hospitals and Clinics, Series SUI:		
4.00%, 9/01/28	3,375	3,556,457
4.00%, 9/01/29	6,525	6,875,816
4.00%, 9/01/30	6,325	6,665,064
4.00%, 9/01/31	8,650	9,115,067
4.00%, 9/01/32	7,750	8,166,679
4.00%, 9/01/33	9,375	9,879,047
		44,258,130
New Hampshire 1.2%		
New Hampshire State Turnpike System, RB, Series C:		
4.00%, 8/01/31	3,665	3,838,603
4.00%, 8/01/32	2,290	2,398,473

4.00%, 8/01/33	4,350	4,556,050
4.00%, 8/01/34	4,035	4,226,129
4.00%, 8/01/35	4,745	4,969,761
		19,989,016
Texas 10.5%		
City of San Antonio Texas Public Facilities Corp., Refunding LRB, Convention Center Refinancing and Expansion Project:		
4.00%, 9/15/30	15,000	15,720,261
4.00%, 9/15/31	19,475	20,410,139
4.00%, 9/15/32	18,075	18,942,915
4.00%, 9/15/33	11,000	11,528,192
4.00%, 9/15/34	11,885	12,455,687
4.00%, 9/15/35	4,500	4,716,078
County of Harris Texas, Refunding RB, Senior Lien Toll Road, Series C, 4.00%, 8/15/33	12,325	13,129,926
Dallas/Fort Worth Texas International Airport, Refunding RB, AMT:		
Series E, 4.00%, 11/01/32	6,915	7,519,573
Series E, 4.13%, 11/01/35	10,435	11,347,325
Series F, 5.00%, 11/01/29	12,820	13,940,844
Series F, 5.00%, 11/01/30	15,565	16,925,837
Series F, 5.00%, 11/01/31	10,000	10,874,293
Series F, 5.00%, 11/01/32	17,170	18,671,161
		176,182,231
Washington 1.1%		
State of Washington, COP, State and Local Agency Real and Personal Property:		
4.00%, 7/01/29	4,105	4,383,840
4.00%, 7/01/30	4,290	4,581,406
4.00%, 7/01/31	4,470	4,773,633
4.00%, 7/01/32	4,590	4,901,784
		18,640,663
Total Municipal Bonds Transferred to Tender Option Bond Trusts 39.0%		655,261,809
Total Long-Term Investments (Cost $2,663,399,515) 159.2%		2,677,121,295

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Target Term Trust (BTT)
(Percentages shown are based on Net Assets)

Short-Term Securities	Par (000)	Value
Michigan 0.4%		
Michigan State HDA, Refunding RB, VRDN, AMT (JPMorgan Chase Bank LOC), Series A, 0.15%, 2/01/13 (e)	$ 6,900	$ 6,900,000
New York 2.0%		
New York City Municipal Water Finance Authority, Refunding RB, VRDN (Mizuho Corporate Bank LOC), 0.11%, 2/01/13 (e)	34,000	34,000,000
Pennsylvania 3.9%		
Pennsylvania HFA, RB, VRDN, S/F Housing, AMT (JPMorgan Chase Bank LOC) (e):		
Series 98C, 0.14%, 2/01/13	28,955	28,955,000
Series 100C, 0.14%, 2/01/13	21,825	21,825,000
Pennsylvania HFA, Refunding RB, VRDN, S/F Housing, Series 99C, AMT (JPMorgan Chase Bank LOC), 0.14%, 2/01/13 (e)	15,000	15,000,000
		65,780,000

Short-Term Securities	Par (000)	Value
Texas 0.6%		
State of Texas, RB, VRDN, Tax and Revenue Anticipation Notes (JPMorgan Chase Bank Liquidity Facility), 0.12%, 2/01/13 (e)	$ 9,700	$ 9,700,000
	Shares	
Money Market Fund 0.0%		
FFI Institutional Tax-Exempt Fund, 0.01% (f)(g)	81,831	81,831
Total Short-Term Securities (Cost $116,461,831) 6.9%		116,461,831
Total Investments (Cost $2,779,861,346) 166.1%		2,793,583,126
Liabilities in Excess of Other Assets (8.9)%		(148,596,965)
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (27.5)%		(462,672,238)
RVMTP Shares, at Liquidation Value (29.7)%		(500,000,000)
Net Assets Applicable to Common Shares 100.0%		$1,682,313,923

Notes to Schedule of Investments

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
(b) When-issued security. Unsettled when-issued transactions were as follows:

Counterparty	— Value

		Unrealized Appreciation (Depreciation)
Wells Fargo & Co.	$64,373,376	$(821,297)
Pershing LLC	$ 2,380,724	$ (8,435)
D.A. Davidson & Co.	$ 7,847,908	$ 102,671
Bank of America Corp.	$12,059,160	$ 59,160
Royal Bank of Canada	$ 6,200,458	$ (24,783)
Stifel, Nicolaus & Co.	$ 3,506,491	$ (15,243)
Royal Bank of Canada	$11,488,689	$ (6,601)
Citigroup, Inc.	$16,853,571	$ 101,308

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

(d) 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.

(e) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.

(f) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of 1940 Act, as amended, were as follows:

Affiliate	Shares Held at July 31, 2012	Net Activity	Shares Held at January 31, 2013	Income
FFI Institutional Tax-Exempt Fund		81,831	81,831	$946

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

For Trust compliance purposes, the Trust s industry classifications refer to any one or more of the industry 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 industry sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

See Notes to Financial Statements.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks 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 Trust s investments categorized in the disclosure hierarchy as of January 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$2,677,121,295		$2,677,121,295
Short-Term Securities	$ 81,831	116,380,000		116,461,831
Total	$ 81,831	$2,793,501,295		$2,793,583,126

[1] See above Schedule of Investments for values in each state or political subdivision.

Certain of the Trust s liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of January 31, 2013, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Liabilities:				
TOB trust certificates		$ (462,594,948)		$ (462,594,948)
RVMTP Shares		(500,000,000)		(500,000,000)
Total		$ (962,594,948)		$ (962,594,948)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Schedule of Investments January 31, 2013 (Unaudited)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New Jersey 123.3%		
Corporate 9.2%		
Middlesex County Improvement Authority, RB, Subordinate, Heldrich Center Hotel, Series B, 6.25%, 1/01/37 (a)(b)	$ 1,790	$ 133,247
New Jersey EDA, RB, Continental Airlines Inc. Project, AMT (c):		
7.00%, 11/15/30	3,450	3,462,903
7.20%, 11/15/30	2,000	2,007,500
New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, AMT:		
Series A, 5.70%, 10/01/39	1,500	1,680,615
Series B, 5.60%, 11/01/34	1,275	1,452,952
Salem County Pollution Control Financing Authority, Refunding RB, Atlantic City Electric, Series A, 4.88%, 6/01/29	2,400	2,664,888
		11,402,105
County/City/Special District/School District 15.2%		
Bergen County New Jersey Improvement Authority, Refunding RB, Fair Lawn Community Center, Inc. Project, 5.00%, 9/15/34	785	937,808
City of Margate City New Jersey, GO, Refunding, Improvement, 5.00%, 1/15/28	1,085	1,253,327
City of Perth Amboy New Jersey, GO, Refunding, CAB (AGM):		
5.00%, 7/01/34	1,075	1,160,054
5.00%, 7/01/35	175	188,024
Essex County Improvement Authority, Refunding RB, Project Consolidation (NPFGC):		
5.50%, 10/01/28	1,440	1,908,648
5.50%, 10/01/29	2,630	3,499,609
Hudson County Improvement Authority, RB, Harrison Parking Facility Project, Series C (AGC):		
5.25%, 1/01/39	2,000	2,233,060
5.38%, 1/01/44	2,400	2,680,656
Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37	2,600	2,614,326
South Jersey Transportation Authority, Refunding RB, Series A:		
5.00%, 11/01/28	305	353,147
5.00%, 11/01/29	305	352,315
Union County Improvement Authority, RB, Guaranteed Lease, Family Court Building Project, 5.00%, 5/01/42	1,515	1,727,873
		18,908,847
Education 14.6%		
New Jersey EDA, RB:		
MSU Student Housing Project Provide, 5.88%, 6/01/42	1,500	1,681,695
School Facilities Construction, Series CC-2, 5.00%, 12/15/31	1,525	1,744,844
New Jersey Educational Facilities Authority, RB, Montclair State University, Series J, 5.25%, 7/01/38	580	654,959
New Jersey Educational Facilities Authority, Refunding RB:		
College of New Jersey, Series D (AGM), 5.00%, 7/01/35	3,230	3,567,923

Municipal Bonds	Par (000)	Value
Georgian Court University, Series D, 5.00%, 7/01/33	250	264,795
Kean University, Series A, 5.50%, 9/01/36	2,060	2,366,858
New Jersey Institute of Technology, Series H, 5.00%, 7/01/31	660	745,298
Ramapo College, Series B, 5.00%, 7/01/42	265	300,743
University of Medicine & Dentistry, Series B, 7.50%, 12/01/32	1,450	1,817,082
New Jersey (continued)		
Education (concluded)		
New Jersey Higher Education Student Assistance Authority, Refunding RB:		
Series 1, AMT, 5.75%, 12/01/29	$ 2,055	$ 2,321,903
Series 1A, 5.00%, 12/01/25	530	585,443
Series 1A, 5.00%, 12/01/26	345	379,738
Series 1A, 5.25%, 12/01/32	500	554,670
New Jersey Institute of Technology, RB, GO, Series A, 5.00%, 7/01/42	970	1,110,117
		18,096,068
Health 17.1%		
New Jersey EDA, RB:		
First Mortgage, Lions Gate Project, Series A, 5.75%, 1/01/25	500	506,885
First Mortgage, Lions Gate Project, Series A, 5.88%, 1/01/37	855	861,250
Masonic Charity Foundation Project, 5.50%, 6/01/31	875	880,758
New Jersey EDA, Refunding RB:		
First Mortgage, Winchester, Series A, 5.75%, 11/01/24	4,050	4,153,032
Seabrook Village, Inc. Facility, 5.25%, 11/15/26	1,790	1,867,829
New Jersey Health Care Facilities Financing Authority, RB (AGC):		
Meridian Health, Series I, 5.00%, 7/01/38	740	794,693
Virtua Health, 5.50%, 7/01/38	1,250	1,394,813
New Jersey Health Care Facilities Financing Authority, Refunding RB:		
AHS Hospital Corp., 6.00%, 7/01/37	900	1,118,412
AHS Hospital Corp., 6.00%, 7/01/41	1,045	1,288,882
Barnabas Health, Series A, 5.00%, 7/01/25	140	162,071
Barnabas Health, Series A, 5.63%, 7/01/32	580	657,407
Barnabas Health, Series A, 5.63%, 7/01/37	1,605	1,813,024
Kennedy Health System, 5.00%, 7/01/42	500	550,855
Meridian Health System Obligated Group Issue, 5.00%, 7/01/26	970	1,110,543
Robert Wood Johnson, 5.00%, 7/01/31	500	550,870
South Jersey Hospital, 5.00%, 7/01/46	1,650	1,708,014
St. Barnabas Health Care System, Series A, 5.00%, 7/01/29	1,750	1,844,588
		21,263,926
Housing 10.9%		
Middlesex County Improvement Authority, RB, AMT (Fannie Mae):		
Administration Building Residential Project, 5.35%, 7/01/34	1,400	1,401,652
New Brunswick Apartments Rental Housing, 5.30%, 8/01/35	4,325	4,330,103
New Jersey State Housing & Mortgage Finance Agency, RB:		
M/F Housing, Series A, 4.55%, 11/01/43	1,540	1,600,768
S/F Housing, Series CC, 5.00%, 10/01/34	1,445	1,563,389

S/F Housing, Series X, AMT, 4.85%, 4/01/16	995	1,021,278
Series A, 4.75%, 11/01/29	1,185	1,266,694
Series AA, 6.38%, 10/01/28	1,055	1,137,417
Series AA, 6.50%, 10/01/38	1,190	1,248,358
		13,569,659
State 28.4%		
Garden State Preservation Trust, RB, CAB, Series B (AGM), 2.99%, 11/01/26 (d)	6,000	3,989,520
New Jersey EDA, RB:		
Kapkowski Road Landfill Project, Series B, AMT, 6.50%, 4/01/31	5,000	5,935,200
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	1,365	1,686,976

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New Jersey (concluded)		
State (concluded)		
New Jersey EDA, RB (concluded):		
School Facilities Construction, Series KK, 5.00%, 3/01/35	$ 1,000	$ 1,146,640
School Facilities Construction, Series KK, 5.00%, 3/01/38	785	893,856
School Facilities Construction, Series Z (AGC), 5.50%, 12/15/34	3,000	3,496,440
New Jersey EDA, Refunding RB:		
5.00%, 6/15/26	810	923,351
(AGM), 5.00%, 6/15/22	2,940	3,480,490
Cigarette Tax, 5.00%, 6/15/29	1,000	1,116,390
School Facilities Construction, Series GG, 5.25%, 9/01/26	3,500	4,136,650
New Jersey EDA, Special Assessment Bonds, Refunding, Kapkowski Road Landfill Project, 6.50%, 4/01/28	2,500	3,002,150
New Jersey Health Care Facilities Financing Authority, RB, Hospital Asset Transformation Program, Series A, 5.25%, 10/01/38	2,350	2,573,532
State of New Jersey, COP, Equipment Lease Purchase, Series A:		
5.25%, 6/15/27	2,000	2,263,020
5.25%, 6/15/28	600	677,382
		35,321,597
Transportation 25.2%		
Delaware River Port Authority of Pennsylvania & New Jersey, RB, Series D, 5.00%, 1/01/40	800	893,424
New Jersey State Turnpike Authority, RB, Series E, 5.25%, 1/01/40	1,970	2,210,892
New Jersey State Turnpike Authority, Refunding RB:		
Series A, 5.00%, 1/01/35	620	711,140
Series B, 5.00%, 1/01/30	1,415	1,656,158
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
CAB, Series C (AGM), 4.33%, 12/15/32 (d)	4,000	1,707,480
Series A, 6.00%, 6/15/35	4,135	5,092,004
Series A, 5.88%, 12/15/38	1,770	2,087,326
Series A, 6.00%, 12/15/38	945	1,127,640
Series A, 5.50%, 6/15/41	2,000	2,324,260
Series A (AGC), 5.50%, 12/15/38	1,000	1,158,960
Series B, 5.00%, 6/15/42	1,320	1,465,596

Port Authority of New York & New Jersey, RB, JFK International Air Terminal, Special Project:		
Series 6, AMT (NPFGC), 5.75%, 12/01/22	6,000	6,002,220
Series 8, 6.00%, 12/01/42	1,430	1,699,955
Port Authority of New York & New Jersey, Refunding RB, Consolidated 152nd Series, AMT, 5.75%, 11/01/30	1,750	2,039,748
South Jersey Transportation Authority, Refunding RB, Series A, 5.00%, 11/01/27	1,000	1,162,710
		31,339,513
Utilities 2.7%		
Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC), 4.24%, 9/01/33 (d)	2,000	843,280
Union County Utilities Authority, Refunding RB, New Jersey Solid Waste System, County Deficiency Agreement, Series A, 5.00%, 6/15/41	2,185	2,508,096
		3,351,376
Total Municipal Bonds in New Jersey		153,253,091

Municipal Bonds	**Par (000)**	**Value**
Puerto Rico 12.2%		
Housing 3.4%		
Puerto Rico Housing Finance Authority, RB, Mortgage-Backed Securities, Series B, AMT (Ginnie Mae), 5.30%, 12/01/28	$ 2,095	$ 2,097,744
Puerto Rico Housing Finance Authority, Refunding RB, Mortgage-Backed Securities, Series A (Ginnie Mae), 5.20%, 12/01/33	2,095	2,098,415
		4,196,159
State 8.8%		
Puerto Rico Public Buildings Authority, RB, CAB, Series D (AMBAC), 5.45%, 7/01/17 (e)	2,665	3,180,571
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A:		
5.75%, 8/01/37	3,075	3,323,706
6.00%, 8/01/42	2,250	2,475,607
Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub, Series C, 6.00%, 8/01/39	1,740	1,937,351
		10,917,235
Total Municipal Bonds in Puerto Rico		15,113,394
Total Municipal Bonds 135.5%		168,366,485

Municipal Bonds Transferred to Tender Option Bond Trusts (f)		
New Jersey 21.1%		
Education 1.3%		
Rutgers State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39	1,499	1,664,390
State 5.5%		
New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	3,000	3,578,010
New Jersey EDA, Refunding RB, School Facilities Construction, Series NN, 5.00%, 3/01/29	2,788	3,257,042
		6,835,052
Transportation 9.1%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A (AGM), 5.00%, 12/15/32	2,000	2,269,720
Series B, 5.25%, 6/15/36	2,500	2,865,800
Port Authority of New York & New Jersey, RB, Consolidated, 152nd Series, AMT, 5.00%, 10/15/41	3,495	3,922,683
Port Authority of New York & New Jersey, Refunding RB, 152nd Series, 5.25%, 11/01/35	2,039	2,253,231
		11,311,434
Utilities 5.2%		
Union County Utilities Authority, Refunding LRB, New Jersey Resource Recovery Facility, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31	5,710	6,389,662
Total Municipal Bonds Transferred to Tender Option Bond Trusts in New Jersey		26,200,538
Puerto Rico 1.1%		
State 1.1%		
Puerto Rico Sales Tax Financing Corp., Refunding RB, Senior Series C, 5.25%, 8/01/40	1,180	1,283,651
Total Municipal Bonds Transferred to Tender Option Bond Trusts 22.2%		27,484,189
Total Long-Term Investments (Cost $180,115,200) 157.7%		195,850,674

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock New Jersey Municipal Income Trust (BNJ)
(Percentages shown are based on Net Assets)

Short-Term Securities	Shares	Value
BIF New Jersey Municipal Money Fund, 0.00% (g)(h)	670,723	$ 670,723
Total Short-Term Securities (Cost $670,723) 0.5%		670,723
Total Investments (Cost $180,785,923) 158.2%		196,521,397
Other Assets Less Liabilities 1.0%		1,212,167
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (11.6)%		(14,371,615)
VMTP Shares, at Liquidation Value (47.6)%		(59,100,000)
Net Assets Applicable to Common Shares 100.0%		$ 124,261,949

Notes to Schedule of Investments

(a) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
(b) Non-income producing security.
(c) Variable rate security. Rate shown is as of report date.
(d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
(e) 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.
(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.
(g) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	Shares Held at July 31, 2012	Net Activity	Shares Held at January 31, 2013	Income
BIF New Jersey Municipal Money Fund	2,329,356	(1,658,633)	670,723	$

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

For Trust compliance purposes, the Trust s industry classifications refer to any one or more of the industry 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 industry sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment and is not necessarily an indication of the risks 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 Trust s investments categorized in the disclosure hierarchy as of January 31, 2013:

Level 1	Level 2	Level 3	Total

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 195,850,674		$ 195,850,674
Short-Term Securities	$ 670,723			670,723
Total	$ 670,723	$ 195,850,674		$ 196,521,397

[1] See above Schedule of Investments for values in each sector.

Certain of the Trust s liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of January 31, 2013, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Liabilities:				
Bank overdraft		$ (54,971)		$ (54,971)
TOB trust certificates		(14,366,757)		(14,366,757)
VMTP Shares		(59,100,000)		(59,100,000)
Total		$ (73,521,728)		$ (73,521,728)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Schedule of Investments January 31, 2013 (Unaudited)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York 119.6%		
Corporate 15.2%		
Chautauqua County Industrial Development Agency, RB, NRG Dunkirk Power Project, 5.88%, 4/01/42	$ 1,000	$ 1,129,050
Essex County Industrial Development Agency New York, RB, International Paper Co. Project, Series A, AMT, 6.63%, 9/01/32	550	613,140
New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT (a)(b)(c):		
7.63%, 8/01/25	3,200	3,679,616
7.75%, 8/01/31	4,000	4,599,600
New York City Industrial Development Agency, Refunding RB, Senior TRIPS, Series A, AMT, 5.00%, 7/01/28	795	846,564
New York Liberty Development Corp., RB, Goldman Sachs Headquarters, 5.25%, 10/01/35	5,350	6,358,100
Niagara Area Development Corp., Refunding RB, Covanta Energy Project, Series A, AMT, 5.25%, 11/01/42	1,500	1,547,520
Port Authority of New York & New Jersey, RB, Continental Airlines Inc. and Eastern Air Lines Inc. Project, LaGuardia, AMT, 9.13%, 12/01/15	4,720	4,838,000
Suffolk County Industrial Development Agency New York, RB, KeySpan, Port Jefferson, AMT, 5.25%, 6/01/27	7,000	7,092,680
		30,704,270
County/City/Special District/School District 27.1%		
City of New York, New York, GO:		
Series A-1, 4.75%, 8/15/25	750	862,582
Series A-1, 5.00%, 8/01/35	1,000	1,160,470
Series D, 5.38%, 6/01/32	25	25,093
Series G-1, 5.00%, 4/01/29	750	893,925
Sub-Series A-1, 4.00%, 10/01/34	350	375,522
Sub-Series G-1, 5.00%, 4/01/28	5,000	5,977,450
Sub-Series G-1, 6.25%, 12/15/31	500	617,920
Sub-Series I-1, 5.38%, 4/01/36	1,750	2,077,372
City of New York, New York, GO, Refunding, Series B, 3.00%, 8/01/31	600	593,268
Hudson New York Yards Infrastructure Corp., RB, Series A:		
5.00%, 2/15/47	5,485	5,825,618
5.75%, 2/15/47	200	238,662
(AGC), 5.00%, 2/15/47	1,000	1,064,440

Municipal Bonds	Par (000)	Value
(AGM), 5.00%, 2/15/47	1,000	1,064,440
(NPFGC), 4.50%, 2/15/47	1,970	2,041,846
Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.00%, 11/15/34	800	902,072
Monroe County Industrial Development Corp., RB, Series A, 5.00%, 7/01/31	1,900	2,211,467
New York City Industrial Development Agency, RB, PILOT:		
CAB, Yankee Stadium Project, Series A, 4.79%, 3/01/45 (d)	1,500	329,010
CAB, Yankee Stadium Project, Series A (AGC), 4.64%, 3/01/42 (d)	1,960	515,833
Queens Baseball Stadium, PILOT (AGC), 6.38%, 1/01/39	150	176,073
Queens Baseball Stadium, PILOT (AMBAC), 5.00%, 1/01/36	3,000	3,023,190
Yankee Stadium, PILOT (NPFGC), 4.75%, 3/01/46	1,500	1,535,595
New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC):		
5.00%, 11/15/35	250	273,168
5.00%, 11/15/44	9,660	10,541,282
4.75%, 11/15/45	500	541,180

Municipal Bonds	Par (000)	Value
New York (continued)		
County/City/Special District/School District (concluded)		
New York Liberty Development Corp., Refunding RB:		
4 World Trade Center Project, 5.00%, 11/15/31	$ 860	$ 986,257
4 World Trade Center Project, 5.75%, 11/15/51	1,340	1,589,749
7 World Trade Center Project, Class 2, 5.00%, 9/15/43	1,670	1,857,224
7 World Trade Center Project, Class 3, 5.00%, 3/15/44	2,070	2,243,280
Second Priority, Bank of America Tower at One Bryant Park Project, 5.63%, 7/15/47	2,000	2,309,700
Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	1,200	1,425,996
New York State Dormitory Authority, RB, State University Dormitory Facilities, Series A, 5.00%, 7/01/39	750	839,265
New York State Dormitory Authority, Refunding RB, School Districts Financing Program, Series A (AGM), 5.00%, 10/01/35	395	436,590
		54,555,539
Education 25.6%		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A (b)(c):		
7.00%, 5/01/25	910	136,445
7.00%, 5/01/35	590	88,465

Amherst Development Corp., Refunding RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.63%, 10/01/40	1,100	1,190,222
City of Troy Capital Resource Corp., Refunding RB, Rensselaer Polytechnic, Series A, 5.13%, 9/01/40	3,240	3,592,480
Dutchess County Industrial Development Agency New York, RB, Bard College Civic Facility, Series A-2, 4.50%, 8/01/36	7,000	7,180,530
Madison County Industrial Development Agency New York, RB:		
Colgate University Project, Series B, 5.00%, 7/01/13 (e)	2,000	2,040,040
Commons II LLC, Student Housing, Series A (CIFG), 5.00%, 6/01/33	275	287,350
Nassau County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, Series A, 4.75%, 3/01/26	1,165	1,277,679
New York City Trust for Cultural Resources, RB, Juilliard School, 5.00%, 1/01/39	750	870,862
New York City Trust for Cultural Resources, Refunding RB:		
Carnegie Hall, 4.75%, 12/01/39	2,000	2,181,140
Museum of Modern Art, Series 1A, 5.00%, 4/01/31	1,000	1,164,600
New York State Dormitory Authority, RB:		
Convent of the Sacred Heart (AGM), 5.25%, 11/01/24	155	179,785
Convent of the Sacred Heart (AGM), 5.63%, 11/01/32	750	900,795
Convent of the Sacred Heart (AGM), 5.75%, 11/01/40	210	249,722
Mount Sinai School of Medicine, 5.13%, 7/01/39	2,000	2,208,260
New York University, Series 1 (AMBAC), 5.50%, 7/01/40	1,440	1,933,128
New York University, Series A (AMBAC), 5.00%, 7/01/37	1,000	1,106,760
New York University, Series B, 5.00%, 7/01/37	1,250	1,447,062
Rochester Institute of Technology, Series A, 6.00%, 7/01/18 (e)	1,000	1,262,080
Teachers College, 5.00%, 7/01/42	500	564,420
University of Rochester, Series A, 0.00%, 7/01/39 (f)	650	686,523
University of Rochester, Series A, 5.13%, 7/01/39	850	967,351
University of Rochester, Series B, 5.00%, 7/01/39	500	543,275

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York (continued)		
Education (concluded)		
New York State Dormitory Authority, Refunding RB:		
Brooklyn Law School, 5.75%, 7/01/33	$ 475	$ 546,231
Cornell University, Series A, 5.00%, 7/01/40	1,000	1,158,000
Culinary Institute of America, 5.00%, 7/01/42	300	323,583
Fordham University, 4.00%, 7/01/30	555	589,909
New York University, Series A, 5.00%, 7/01/37	1,790	2,072,193
Rochester Institute Technology, 4.00%, 7/01/33	1,070	1,147,200
Rochester Institute Technology, 5.00%, 7/01/42	1,790	2,051,698
Rockefeller University, Series B, 4.00%, 7/01/38	1,835	1,945,834
Saint John s University, Series A, 5.00%, 7/01/27	220	261,017
Skidmore College, Series A, 5.00%, 7/01/27	190	221,610
Skidmore College, Series A, 5.00%, 7/01/28	75	86,990
Skidmore College, Series A, 5.25%, 7/01/29	85	99,682
Teachers College, 5.50%, 3/01/39	450	507,587
Third Generation Resolution, State University Educational Facilities, Series A, 5.00%, 5/15/29	2,000	2,384,680
Orange County Funding Corp., Refunding RB, Mount State Mary College, Series A:		
5.00%, 7/01/37	360	403,607
5.00%, 7/01/42	220	244,966
St. Lawrence County Industrial Development Agency, RB, Clarkson University Project, 5.38%, 9/01/41	275	316,014
Suffolk County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, 5.00%, 3/01/26	1,000	1,030,430
Tompkins County Development Corp., RB, Ithaca College Project (AGM), 5.50%, 7/01/33	700	818,188
Westchester County Industrial Development Agency New York, RB, Windward School Civic Facility (Radian), 5.25%, 10/01/31	2,500	2,502,575
Yonkers Industrial Development Agency New York, RB, Sarah Lawrence College Project, Series A, 6.00%, 6/01/41	625	708,481
		51,479,449
Health 16.2%		
Dutchess County Local Development Corp., Refunding RB, Health Quest System Inc., Series A, 5.75%, 7/01/40	300	350,790
Genesee County Industrial Development Agency New York, Refunding RB, United Memorial Medical Center Project, 5.00%, 12/01/27	500	500,010
Monroe County Industrial Development Corp., Refunding RB, Unity Hospital of Rochester Project (FHA), 5.50%, 8/15/40	1,050	1,213,527
Nassau County Local Economic Assistance Corp., Refunding RB, Winthrop University Hospital Association Project:		
4.25%, 7/01/42	350	353,238
5.00%, 7/01/42	2,750	2,952,757
New York State Dormitory Authority, RB:		

Hudson Valley Hospital (BHAC), 5.00%, 8/15/36	750	824,872
New York State Association for Retarded Children, Inc., Series B (AMBAC), 6.00%, 7/01/32	200	230,242
New York University Hospital Center, Series A, 6.00%, 7/01/40	500	589,235
New York University Hospital Center, Series B, 5.63%, 7/01/37	530	580,700
North Shore-Long Island Jewish Health System, 5.50%, 5/01/13 (e)	2,000	2,026,520
North Shore-Long Island Jewish Health System, Series A, 5.50%, 5/01/37	1,775	2,028,275
North Shore-Long Island Jewish Health System, Series C, 4.25%, 5/01/39	750	797,138
North Shore-Long Island Jewish Health System, Series D, 4.25%, 5/01/39	1,100	1,169,135

Municipal Bonds	**Par (000)**	**Value**
New York (continued)		
Health (concluded)		
New York State Dormitory Authority, RB (concluded):		
North Shore-Long Island Jewish Health System, Series D, 5.00%, 5/01/39	$ 320	$ 362,227
Nysarc Inc., Series A, 6.00%, 7/01/32	500	589,505
New York State Dormitory Authority, Refunding RB:		
Miriam Osborn Memorial Home Association, 5.00%, 7/01/29	290	316,016
Miriam Osborn Memorial Home Association, 5.00%, 7/01/42	115	122,251
Mount Sinai Hospital, Series A, 5.00%, 7/01/26	1,385	1,564,496
New York University Hospital Center, Series A, 5.00%, 7/01/36	3,390	3,599,163
North Shore-Long Island Jewish Health System, Series A, 5.00%, 5/01/32	1,750	1,969,975
North Shore-Long Island Jewish Health System, Series E, 5.50%, 5/01/33	1,100	1,252,251
Onondaga Civic Development Corp., RB, Saint Joseph s Hospital Health Center Project:		
4.50%, 7/01/32	3,225	3,179,689
5.00%, 7/01/42	540	554,261
Suffolk County Industrial Development Agency New York, Refunding RB, Jeffersons Ferry Project, 5.00%, 11/01/28	1,175	1,204,763
Westchester County Healthcare Corp. New York, Refunding RB, Senior Lien:		
Series A, Remarketing, 5.00%, 11/01/30	2,500	2,772,450
Series B, 6.00%, 11/01/30	500	596,905
Westchester County IDA New York, RB, Kendal on Hudson Project, Series A, 6.38%, 1/01/24	1,000	1,000,900
		32,701,291
Housing 1.9%		
New York Mortgage Agency, Refunding RB, Homeowner Mortgage, Series 97, AMT, 5.50%, 4/01/31	1,120	1,121,400
New York State HFA, RB, M/F Housing, Series A, Highland Avenue Senior Apartments, Series A, AMT (SONYMA), 5.00%, 2/15/39	1,500	1,553,145
Yonkers EDC, Refunding RB, Riverview II (Freddie Mac), 4.50%, 5/01/25	1,000	1,086,180

		3,760,725
State 7.0%		
New York City Transitional Finance Authority, BARB:		
Series S-1, 4.00%, 7/15/42	2,225	2,322,989
Series S-2 (NPFGC), 4.25%, 1/15/34	1,700	1,767,728
New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36	600	727,872
New York State Dormitory Authority, RB, Mental Health Services Facilities Improvement, Series B (AMBAC), 5.00%, 2/15/35	2,000	2,137,060
New York State Dormitory Authority, Refunding RB:		
General Purpose Bonds, Series A, 5.00%, 12/15/26	2,000	2,460,540
General Purpose, Series D, 5.00%, 2/15/34	500	585,995
New York State Thruway Authority, Refunding RB, Series A, 5.00%, 4/01/32	3,500	4,124,785
		14,126,969
Tobacco 1.1%		
Rensselaer Tobacco Asset Securitization Corp., RB, Series A, 5.75%, 6/01/43	2,500	2,243,650
Transportation 19.2%		
Metropolitan Transportation Authority, RB:		
Series 2008C, 6.50%, 11/15/28	1,000	1,272,460
Series D, 5.25%, 11/15/41	1,750	2,004,100
Series H, 4.00%, 11/15/34	2,000	2,088,940
Series H, 5.00%, 11/15/42	1,750	1,979,845

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
New York (concluded)		
Transportation (concluded)		
Metropolitan Transportation Authority, Refunding RB, Series F:		
5.00%, 11/15/30	$ 2,530	$ 2,956,356
(AGM), 4.00%, 11/15/30	3,000	3,260,700
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.00%, 12/15/41	5,675	6,420,922
New York State Thruway Authority, RB, Series I, 5.00%, 1/01/27 (g)	2,000	2,369,280
New York State Thruway Authority, Refunding RB, General, Series I:		
5.00%, 1/01/37	920	1,043,740
4.13%, 1/01/42	1,075	1,121,031
5.00%, 1/01/42	280	315,350
Port Authority of New York & New Jersey, RB:		
Consolidated, 124th Series, AMT, AMT, 5.00%, 8/01/36	2,000	2,006,820
JFK International Air Terminal, 6.00%, 12/01/42	1,000	1,188,780
Special Project, JFK International Air Terminal, Series 6 AMT (NPFGC), 6.25%, 12/01/13	1,000	1,019,430
Special Project, JFK International Air Terminal, Series 6 AMT (NPFGC), 5.75%, 12/01/22	7,000	7,002,590
Port Authority of New York & New Jersey, Refunding RB, One Hundred Seventy-Seven, AMT, 4.00%, 1/15/43 (g)	1,000	1,007,350
Triborough Bridge & Tunnel Authority, Refunding RB:		
Series A, 5.00%, 11/15/30	250	297,630
Series A, 3.13%, 11/15/32	750	739,072
Series A, 3.70%, 11/15/32 (d)	845	409,293
Series B, 5.00%, 11/15/31	190	227,183
		38,730,872
Utilities 6.3%		
Long Island Power Authority, RB:		
Series A (AGM), 5.00%, 5/01/36	500	564,395
Series C (CIFG), 5.25%, 9/01/29	2,000	2,454,540
Long Island Power Authority, Refunding RB, Series A, 5.75%, 4/01/39	4,000	4,763,680
New York City Municipal Water Finance Authority, RB, Series B, 5.00%, 6/15/36	750	835,890

New York City Municipal Water Finance Authority, Refunding RB, Second General Resolution:		
Series BB, 5.00%, 6/15/31	1,000	1,164,850
Series EE, 4.00%, 6/15/45	2,310	2,407,159
New York State Environmental Facilities Corp., Refunding RB, Revolving Funds, New York City Municipal Water, 5.00%, 6/15/36	350	412,247
		12,602,761
Total Municipal Bonds in New York		240,905,526
Puerto Rico 6.5%		
Housing 1.3%		
Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27	2,500	2,684,175
State 3.3%		
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series D, 5.25%, 7/01/36	1,600	1,599,984
Puerto Rico Sales Tax Financing Corp., RB:		
CAB, Series A, 5.62%, 8/01/32 (d)	1,685	571,771
First Sub-Series A, 5.75%, 8/01/37	2,000	2,161,760
First Sub-Series A (AGM), 5.00%, 8/01/40	1,000	1,051,800

Municipal Bonds	Par (000)	Value
Puerto Rico (concluded)		
State (concluded)		
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC) (d):		
5.60%, 8/01/41	$ 3,500	$ 725,620
5.60%, 8/01/43	2,500	464,100
		6,575,035
Transportation 1.1%		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGM), 5.50%, 7/01/30	2,000	2,252,560
Utilities 0.8%		
Puerto Rico Aqueduct & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 7/01/38	1,100	1,138,929
Puerto Rico Electric Power Authority, Refunding RB, Series VV (NPFGC), 5.25%, 7/01/29	500	517,270
		1,656,199
Total Municipal Bonds in Puerto Rico		13,167,969
Total Municipal Bonds 126.1%		254,073,495

Municipal Bonds Transferred to Tender Option Bond Trusts (h)		
New York 33.3%		
County/City/Special District/School District 6.9%		
New York City Transitional Finance Authority, RB, Future Tax Secured, Sub-Series D1, 5.00%, 11/01/38	825	953,180
New York Liberty Development Corp., RB, Class 1, 7 World Trade Center Project, Class 1, 4.00%, 9/15/35	4,260	4,424,990
New York Liberty Development Corp., Refunding RB:		
4 World Trade Center Project, 5.00%, 11/15/44	5,020	5,629,629
7 World Trade Center Project, Class 1, 5.00%, 9/15/40	2,610	2,981,272
		13,989,071
Education 0.5%		
New York State Dormitory Authority, Refunding LRB, State University Dormitory Facilities, Series A, 5.00%, 7/01/42	900	1,037,907
Housing 7.3%		
New York Mortgage Agency, RB, 31st Series A, AMT, 5.30%, 10/01/31	14,680	14,697,322
State 0.4%		
New York City Transitional Finance Authority, BARB, Series S-3, 5.25%, 1/15/39	660	740,655
Transportation 6.0%		
Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	1,250	1,491,507
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43	6,495	7,472,656
New York State Thruway Authority, Refunding RB, Series A, 5.00%, 3/15/31	1,180	1,400,459
Port Authority of New York & New Jersey, RB, Consolidated 169th Series, AMT, 5.00%, 10/15/26	1,500	1,750,800
		12,115,422
Utilities 12.2%		
New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40	1,200	1,430,771
New York City Municipal Water Finance Authority, Refunding RB:		
Second General Resolution, Series BB, 5.00%, 6/15/44	3,511	3,981,277
Second General Resolution, Series HH, 5.00%, 6/15/32	5,310	6,197,885

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock New York Municipal Income Trust (BNY)
(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (h)	Par (000)	Value
New York (concluded)		
Utilities (concluded)		
New York City Municipal Water Finance Authority, Refunding RB (concluded):		
Series A, 4.75%, 6/15/30	$ 4,000	$ 4,477,840
Series D, 5.00%, 6/15/39	5,000	5,411,000
Series FF-2, 5.50%, 6/15/40	810	955,835
Suffolk County Water Authority, Refunding RB, 3.00%, 6/01/25	1,996	2,070,585
		24,525,193
Total Municipal Bonds Transferred to Tender Option Bond Trusts in New York		67,105,570
Puerto Rico 3.5%		
State 3.5%		
Puerto Rico Sales Tax Financing Corp., Refunding RB:		
5.00%, 8/01/40	5,000	5,349,850
Series C, 5.25%, 8/01/40	1,520	1,653,517
Total Municipal Bonds Transferred to Tender Option Bond Trusts in Puerto Rico		7,003,367
Total Municipal Bonds Transferred to Tender Option Bond Trusts 36.8%		74,108,937
Total Long-Term Investments (Cost $306,785,752) 162.9%		328,182,432

Short-Term Securities	Shares	Value
BIF New York Municipal Money Fund, 0.00% (i)(j)	3,477,638	$ 3,477,638
Total Short-Term Securities (Cost $3,477,638) 1.7%		3,477,638
Total Investments (Cost $310,263,390) 164.6%		331,660,070
Other Assets Less Liabilities 0.4%		871,668
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (18.1)%		(36,566,487)
VMTP Shares, at Redemption Value (46.9)%		(94,500,000)
Net Assets Applicable to Common Shares 100.0%		$ 201,465,251

Notes to Schedule of Investments

(a) Variable rate security. Rate shown is as of report date.
(b) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
(c) Non-income producing security.
(d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
(e)

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.

(f) 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 is as of report date.

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

Counterparty	Value	Unrealized Depreciation
Pershing LLC	$2,369,280	$(1,320)
Wells Fargo & Co.	$1,007,350	$(9,060)

(h) 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.

(i) Investments in issuers considered to be an affiliate of the Trust during the six months ended January 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, as amended, were as follows:

Affiliate	Shares Held at July 31, 2012	Net Activity	Shares Held at January 31, 2013	Income
BIF New York Municipal Money Fund	344,945	3,132,693	3,477,638	$197

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

Financial futures contracts as of January 31, 2013 were as follows:

Contracts Sold	Issue	Exchange	Expiration	Notional Value	Unrealized Depreciation
(26)	30-Year US Treasury Note	Chicago Board of Trade	March 2013	$(3,730,188)	$(6,947)

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 or reporting ease.

See Notes to Financial Statements.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Trust has the ability to access

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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust s policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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 table summarizes the Trust s investments and derivative financial instruments categorized in the disclosure hierarchy as of January 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments[1]		$ 328,182,432		$328,182,432
Short-Term Securities	$3,477,638			3,477,638
Total	$3,477,638	$ 328,182,432		$331,660,070

[2] Derivative financial instruments are financial futures contracts which are valued at unrealized appreciation/depreciation on the instrument.

Certain of the Trust s liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of January 31, 2013, such liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Liabilities:				
Bank overdraft		$ (87,898)		$ (87,898)
TOB trust certificates		(36,551,462)		(36,551,462)
VMTP Shares		(94,500,000)		(94,500,000)
Total		$(131,139,360)		$(131,139,360)

There were no transfers between levels during the six months ended January 31, 2013.

See Notes to Financial Statements.

Statements of Assets and Liabilities

January 31, 2013 (Unaudited)	BlackRock California Municipal Income Trust (BFZ)	BlackRock Florida Municipal 2020 Term Trust (BFO)	BlackRock Municipal Income Investment Trust (BBF)	BlackRock Municipal Target Term Trust (BTT)	Bl No M Inc
Assets					
Investments at value unaffiliated[1]	$862,742,550	$114,782,073	$174,863,246	$ 2,793,501,295	$19
Investments at value affiliated[2]	2,217,891	57,308	975,638	81,831	
Cash		103			
Cash pledged as collateral for financial futures contracts	198,000				
Interest receivable	12,173,349	1,226,064	2,076,647	18,719,250	
Investments sold receivable	325,391	91,229		295,885	
Deferred offering costs	164,984		172,808	876,403	
Prepaid expenses	27,817	6,019	44,367	38,099	
Total assets	877,849,982	116,162,796	178,132,706	2,813,512,763	19
Accrued Liabilities					
Bank overdraft	159,332				
Investments purchased payable	5,727,374			159,655,511	
Income dividends payable Common Shares	2,475,850	311,479	485,240	6,980,052	
Investment advisory fees payable	427,290	54,873	90,394	790,191	
Interest expense and fees payable	101,215	347	16,822	77,290	
Officer s and Trustees fees payable	62,543	8,339	16,797	10,958	
Variation margin payable	14,063				
Offering costs payable				879,350	
Other accrued expenses payable	128,219	68,690	69,882	210,540	
Total accrued liabilities	9,095,886	443,728	679,135	168,603,892	
Other Liabilities					
TOB trust certificates	169,154,073	360,000	35,195,790	462,594,948	1
RVMTP Shares, at liquidation value of $5,000,000 per share[3,4]				500,000,000	
VMTP Shares, at liquidation value of $100,000 per share[3,4]	171,300,000				5
VRDP Shares, at liquidation value of $100,000 per share[3,4]			34,200,000		
Total other liabilities	340,454,073	360,000	69,395,790	962,594,948	7
Total liabilities	349,549,959	803,728	70,074,925	1,131,198,840	7
AMPS at Redemption Value					
		26,100,469			

$25,000 per share liquidation preference, plus unpaid dividends[3,4]					
Net Assets Applicable to Common Shareholders	$528,300,023	$ 89,258,599	$108,057,781	$1,682,313,923	$12
Net Assets Applicable to Common Shareholders Consist of					
Paid-in capital[5,6,7]	$447,138,515	$ 79,391,300	$ 95,095,860	$ 1,680,741,508	$10
Undistributed (distributions in excess of) net investment income	6,424,775	4,782,147	639,689	(12,202,552)	
Net realized gain (accumulated net realized loss)	(21,525,467)	(682,733)	(7,854,977)	53,187	(
Net unrealized appreciation/depreciation	96,262,200	5,767,885	20,177,209	13,721,780	1
Net Assets Applicable to Common Shareholders	$528,300,023	$ 89,258,599	$108,057,781	$1,682,313,923	$12
Net asset value per Common Share	$ 16.58	$ 16.05	$ 16.12	$ 23.86	$
[1] Investments at cost unaffiliated	$766,631,279	$109,014,188	$154,686,037	$ 2,779,779,515	$18
[2] Investments at cost affiliated	$ 2,217,891	$ 57,308	$ 975,638	$ 81,831	$
[3] Preferred Shares outstanding, par value $ 0.001 per share	1,713	1,044	342	100	
[4] Preferred Shares authorized	unlimited	unlimited	unlimited	unlimited	
[5] Par value per share per Common Share	$ 0.001	$ 0.001	$ 0.001	$ 0.001	$
[6] Common Shares outstanding	31,864,226	5,562,128	6,704,527	70,505,571	
[7] Common Shares authorized	unlimited	unlimited	unlimited	unlimited	

See Notes to Financial Statements.

Statements of Operations

Six Months Ended January 31, 2013 (Unaudited)	**BlackRock California Municipal Income Trust (BFZ)**	**BlackRock Florida Municipal 2020 Term Trust (BFO)**	**BlackRock Municipal Income Investment Trust (BBF)**	**BlackRock Municipal Target Term Trust[1] (BTT)**	**BlackI New Je Munic Income (BN**
Investment Income					
Interest	$ 18,609,258	$ 2,486,591	$ 3,832,737	$ 19,775,813	$ 4,456
Income affiliated	17	1,716	119	946	
Total income	18,609,275	2,488,307	3,832,856	19,776,759	4,456
Expenses					
Investment advisory	2,515,269	333,832	532,268	3,049,431	587
Professional	33,194	32,007	21,005	104,035	27
Accounting services	26,437	15,125	24,065	77,740	22
Liquidity fees			148,620		
Transfer agent	24,036	14,342	12,583	42,229	13
Custodian	16,675	4,526	6,053	54,404	5
Officer and Trustees	28,265	4,253	6,603	47,006	6
Registration	5,464	4,646	4,631	9,238	4
Organization				33,000	
Printing	4,000	1,903	5,133	15,340	2
Remarketing fees on Preferred Shares		25,937	17,480		
Miscellaneous	22,741	10,837	26,825	34,814	33
Total expenses excluding interest expense and fees and amortization of offering costs	2,676,081	447,408	805,266	3,467,237	705
Interest expense, fees and amortization of offering costs[2]	1,617,198	1,127	189,280	595,495	407
Total expenses	4,293,279	448,535	994,546	4,062,732	1,112
Less fees waived by Manager	(40,099)	(778)	(479)	(3,627)	(1
Total expenses after fees waived	4,253,180	447,757	994,067	4,059,105	1,111
Net investment income	14,356,095	2,040,550	2,838,789	15,717,654	3,344
Realized and Unrealized Gain (Loss)					
Net realized gain from:					
Investments	2,047,368	107,643	1,628,102	53,187	457
Financial futures contracts	133,691				
	2,181,059	107,643	1,628,102	53,187	457
Net change in unrealized appreciation/depreciation on:					
Investments	6,443,585	(219,343)	(177,769)	13,721,780	505
Financial futures contracts	150,929				
	6,594,514	(219,343)	(177,769)	13,721,780	505
Total realized and unrealized gain (loss)	8,775,573	(111,700)	1,450,333	13,774,967	962

Dividends to AMPS Shareholders From					
Net investment income		(52,732)			
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	$ 23,131,668	$ 1,876,118	$ 4,289,122	$ 29,492,621	$ 4,307

[1] For the period August 30, 2012 (commencement of operations) to January 31, 2013.

[2] Related to TOBs, VMTP Shares, RVMTP Shares and/or VRDP Shares.

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock California Municipal Income Trust (BFZ) Six Months Ended January 31, 2013 (Unaudited)	BlackRock California Municipal Income Trust (BFZ) Year Ended July 31, 2012	BlackRock Florida Municipal 2020 Term Trust (BFO) Six Months Ended January 31, 2013 (Unaudited)	BlackRock Florida Municipal 2020 Term Trust (BFO) Year Ended July 31, 2012
Operations				
Net investment income	$ 14,356,095	$ 30,391,363	$ 2,040,550	$ 4,751,324
Net realized gain	2,181,059	6,685,430	107,643	15,599
Net change in unrealized appreciation/depreciation	6,594,514	70,149,440	(219,343)	5,366,658
Dividends to AMPS Shareholders from net investment income		(264,801)	(52,732)	(103,786)
Net increase in net assets applicable to Common Shareholders resulting from operations	23,131,668	106,961,432	1,876,118	10,029,795
Dividends to Common Shareholders From				
Net investment income	(14,849,294)	(29,300,306)[1]	(1,868,875)	(3,889,885)[1]
Capital Share Transactions				
Reinvestment of common dividends	439,979	171,858		
Net Assets Applicable to Common Shareholders				
Total increase in net assets applicable to Common Shareholders	8,722,353	77,832,984	7,243	6,139,910
Beginning of period	519,577,670	441,744,686	89,251,356	83,111,446
End of period	$ 528,300,023	$ 519,577,670	$ 89,258,599	$ 89,251,356
Undistributed net investment income	$ 6,424,775	$ 6,917,974	$ 4,782,147	$ 4,663,204

[1] Dividends are determined in accordance with federal income tax regulations.

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock Municipal Income Investment Trust (BBF) Six Months Ended January 31, 2013	BlackRock Municipal Income Investment Trust (BBF) Year Ended July 31, 2012	BlackRock Municipal Target Term Trust (BTT) Period August 30, 2012[1] to January 31,

	(Unaudited)		2013 (Unaudited)
Operations			
Net investment income	$ 2,838,789	$ 5,791,300	$ 15,717,654
Net realized gain	1,628,102	1,359,326	53,187
Net change in unrealized appreciation/depreciation	(177,769)	15,725,171	13,721,780
Dividends to AMPS Shareholders from net investment income		(17,731)	
Net increase in net assets applicable to Common Shareholders resulting from operations	4,289,122	22,858,066	29,492,621
Dividends to Common Shareholders From			
Net investment income	(2,910,952)	(6,018,632)[2]	(27,920,206)
Capital Share Transactions			
Net proceeds from the issuance of shares			1,477,804,008
Net proceeds from the underwriter s over allotment option excercised			202,937,500
Reinvestment of common dividends	52,510	62,151	
Net increase in net assets derived from capital share transactions	52,510	62,151	1,680,741,508
Net Assets Applicable to Common Shareholders			
Total increase in net assets applicable to Common Shareholders	1,430,680	16,901,585	1,682,313,923
Beginning of period	106,627,101	89,725,516	
End of period	$ 108,057,781	$ 106,627,101	$ 1,682,313,923
Undistributed (distributions in excess of) net investment income	$ 639,689	$ 711,852	$ (12,202,552)

[1] Commencement of operations.

[2] Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Changes in Net Assets

	BlackRock New Jersey Municipal Income Trust (BNJ)		BlackRock New Y Municipal Income Tru	
Increase (Decrease) in Net Assets Applicable to Common Shareholders:	**Six Months Ended January 31, 2013 (Unaudited)**	**Year Ended July 31, 2012**	**Six Months Ended January 31, 2013 (Unaudited)**	**Ye**
Operations				
Net investment income	$ 3,344,806	$ 7,279,409	$ 5,512,393	$
Net realized gain (loss)	457,334	(396,512)	1,055,796	
Net change in unrealized appreciation/depreciation	505,464	16,446,899	347,881	2
Dividends to AMPS Shareholders from net investment income		(90,161)		
Net increase in net assets applicable to Common Shareholders resulting from operations	4,307,604	23,239,635	6,916,070	1
Dividends to Common Shareholders From				
Net investment income	(3,720,168)	(7,272,642)[1]	(5,800,679)	(
Capital Share Transactions				
Reinvestment of common dividends	177,930	303,612	329,838	
Net Assets Applicable to Common Shareholders				
Total increase in net assets applicable to Common Shareholders	765,366	16,270,605	1,445,229	2
Beginning of period	123,496,583	107,225,978	200,020,022	1'
End of period	$ 124,261,949	$ 123,496,583	$ 201,465,251	$ 2(
Undistributed net investment income	$ 1,800,990	$ 2,176,352	$ 2,732,168	$

[1] Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Cash Flows

Six Months Ended January 31, 2013 (Unaudited)	BlackRock California Municipal Income Trust (BFZ)	BlackRock Municipal Income Investment Trust (BBF)	BlacRock Municipal Target Term Trust (BTT)	BlackRock New Jersey Municipal Income Trust (BNJ)	B N M In
Cash Provided by (Used for) Operating Activities					
Net increase in net assets resulting from operations, excluding dividends to AMPS Shareholders	$ 23,131,668	$ 4,289,122	$ 29,492,621	$ 4,307,604	$
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities:					
Increase in interest receivable	(173,243)	(55,325)	(18,719,250)	(69,804)	
Increase in prepaid expenses	(10,606)	(38,487)	(38,099)	(1,810)	
Decrease in cash pledged as collateral for financial futures contracts	(198,000)				
Increase in investment advisory fees payable	17,775	3,028	790,191	2,946	
Increase (decrease) in interest expense and fees payable	(427)	745	77,290	289	
Increase (decrease) in other accrued expenses payable	(27,555)	(51,233)	210,540	7,552	
Increase in variation margin payable	14,063				
Increase in offering costs payable			879,350		
Increase (decrease) in Officer s and Trustees fees payable	(1,367)	1,413	10,958	837	
Net realized and unrealized gain on investments	(8,490,953)	(1,450,333)	(13,774,967)	(962,798)	
Amortization of premium and accretion of discount on investments	1,075,124	264,141	1,630,231	69,472	
Amortization of deferred offering costs	36,238	11,029	2,947	23,042	
Proceeds from sales of long-term investments	74,217,653	22,376,454	1,212,585	7,451,195	
Purchases of long-term investments	(87,998,398)	(25,444,279)	(2,506,696,562)	(12,733,958)	(
Net proceeds from sales (purchases) of short-term securities	5,735,387	656,131	(116,461,831)	1,658,632	
	7,327,359	562,406	(2,621,383,996)	(246,801)	

Cash provided by (used for) operating activities					
Cash Provided by (Used for) Financing Activities					
Cash receipts from issuance of common shares			1,680,608,500		
Cash receipts from issuance of VMTP Shares					
Cash receipts from issuance of RVMTP Shares			500,000,000		
Cash receipts from TOB trust certificates	6,920,563	1,974,984	462,595,000	3,733,211	
Cash payments for TOB trust certificates					
Cash dividends paid to Common Shareholders	(14,407,254)	(2,858,205)	(20,940,154)	(3,541,381)	
Cash payments for offering costs			(879,350)		
Increase in bank overdraft	159,332			54,971	
Cash provided by (used for) financing activities	(7,327,359)	(883,221)	2,621,383,996	246,801	
Cash					
Net change in cash		(320,815)			
Cash at beginning of period		320,815			
Cash at end of period					
Cash Flow Information					
Cash paid during the period for interest and fees	$ 1,579,397	$ 177,506	$ 515,258	$ 407,480	$
Non-cash Financing Activities					
Capital shares issued in reinvestment of dividends paid to Common Shareholders	$ 439,979	$ 52,510		$ 177,930	$

See Notes to Financial Statements.

Financial Highlights **BlackRock California Municipal Income Trust (BFZ)**

	Six Months Ended January 31, 2013 (Unaudited)	Year Ended July 31, 2012	2011	2010	2009	Period November 1, 2007 to July 31, 2008
Per Share Operating Performance						
Net asset value, beginning of period	$ 16.32	$ 13.88	$ 14.28	$ 12.71	$ 13.98	$ 14.97
Net investment income	0.45[1]	0.95[1]	0.98[1]	1.00[1]	1.03[1]	0.82[1]
Net realized and unrealized gain (loss)	0.28	2.42	(0.45)	1.50	(1.35)	(0.90)
Dividends to AMPS Shareholders from net investment income		(0.01)	(0.02)	(0.02)	(0.12)	(0.22)
Net increase (decrease) from investment operations	0.73	3.36	0.51	2.48	(0.44)	(0.30)
Dividends to Common Shareholders from net investment income	(0.47)	(0.92)[2]	(0.91)[2]	(0.91)[2]	(0.83)[2]	(0.69)[2]
Net asset value, end of period	$ 16.58	$ 16.32	$ 13.88	$ 14.28	$ 12.71	$ 13.98
Market price, end of period	$ 16.98	$ 16.64	$ 13.16	$ 14.21	$ 12.40	$ 13.99
Total Investment Return Applicable to Common Shareholders[3]						
Based on net asset value	4.49%[4]	24.98%	4.05%	20.15%	(2.36)%	(2.09)%[4]
Based on market price	4.95%[4]	34.40%	(0.86)%	22.55%	(4.81)%	(7.29)%[4]

Ratios to Average Net Assets Applicable to Common Shareholders

Total expenses	1.62%[5]	1.49%[6]	1.46%[6]	1.36%[6]	1.54%[6]	1.25%[5,6]
Total expenses after fees waived and paid indirectly	1.61%[5]	1.46%[6]	1.39%[6]	1.27%[6]	1.35%[6]	0.98%[5,6]
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[7]	1.00%[5]	1.07%[6,8]	1.12%[6]	1.04 %[6]	1.08%[6]	0.91%[5,6]
Net investment income	5.42%[5]	6.28%[6]	7.19%[6]	6.94 %[6]	8.27%[6]	7.39%[5,6]
Dividends to AMPS Shareholders		0.05%	0.15%	0.15%	1.00%	1.95%[5]
Net investment income to Common Shareholders	5.42%[5]	6.23%	7.04%	6.79%	7.27%	5.44%[5]

Supplemental Data

Net assets applicable to Common Shareholders, end of period (000)	$528,266	$519,578	$441,745	$454,299	$192,551	$211,671
AMPS Shares outstanding at $25,000 liquidation preference, end of period (000)			$171,325	$171,325	$ 71,000	$100,900
VMTP Shares outstanding at $100,000 liquidation value, end of period (000)	$171,300	$171,300				

Portfolio turnover	8%	30%	36%	47%	58%	26%
Asset coverage per AMPS at $25,000 liquidation preference, end of period (000)			$ 89,460	$ 91,293	$ 92,801	$ 77,457
Asset coverage per VMTP Shares at $100,000 liquidation value, end of period	$408,406	$403,314				

1 Based on average Common Shares outstanding.
2 Dividends are determined in accordance with federal income tax regulations.
3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
4 Aggregate total investment return.
5 Annualized.
6 Do not reflect the effect of dividends to AMPS Shareholders.
7 Interest expense, fees and amortization of offering costs relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP shares, respectively.
8 For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs and remarketing fees was 1.04%.

See Notes to Financial Statements.

	Six Months Ended January 31, 2013 (Unaudited)	Year Ended July 31, 2012	2011	2010	2009	Period January 1, 2008 to July 31, 2008	Y De
Per Share Operating Performance							
Net asset value, beginning of period	$ 16.05	$ 14.94	$ 14.91	$ 13.35	$ 14.16	$ 14.72	$
Net investment income	0.37[1]	0.85[1]	0.92[1]	0.95[1]	0.96[1]	0.58[1]	
Net realized and unrealized gain (loss)	(0.02)	0.98	(0.19)	1.31	(1.00)	(0.62)	
Dividends to distributions to AMPS Shareholders from:							
Net investment income	(0.01)	(0.02)	(0.03)	(0.03)	(0.15)	(0.16)	
Net realized gain							
Net increase (decrease) from investment operations	0.34	1.81	0.70	2.23	(0.19)	(0.20)	
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.34)	(0.70)[2]	(0.67)[2]	(0.67)[2]	(0.62)[2]	(0.36)[2]	
Net realized gain							
Total dividends and distributions to Common Shareholders	(0.34)	(0.70)	(0.67)	(0.67)	(0.62)	(0.36)	
	$ 16.05	$ 16.05	$ 14.94	$ 14.91	$ 13.35	$ 14.16	$

Net asset value, end of period							
Market price, end of period	$ 15.57	$ 15.60	$ 13.91	$ 14.30	$ 12.31	$ 12.50	$
Total Investment Return Applicable to Common Shareholders[3]							
Based on net asset value	2.13%[4]	12.44%	5.07%	17.35%	(0.48)%	(1.12)%[4]	
Based on market price	1.93%[4]	17.38%	2.00%	22.05%	3.95%	(0.63)%[4]	
Ratio to Average Net Assets Applicable to Common Shareholders							
Total expenses[5]	0.99%[6]	1.06%	1.13%	1.14%	1.29%	1.22%[6]	
Total expenses after fees waived and paid indirectly[5]	0.99%[6]	1.06%	1.13%	1.13%	1.26%	1.22%[6]	
Total expenses after fees waived and paid indirectly and excluding interest expense and fees[5,7]	0.99%[6,8]	1.06%[8]	1.09%	1.09%	1.13%	1.17%[6]	
Net investment income[5]	4.52%[6]	5.48%	6.29%	6.72%	7.39%	6.74%[6]	
Dividends to AMPS Shareholders	0.12%[6]	0.12%	0.19%	0.22%	1.13%	1.92%[6]	
Net investment income to Common Shareholders	4.40%[6]	5.36%	6.10%	6.50%	6.26%	4.82%[6]	
Supplemental Data							
Net assets applicable to Common Shareholders, end of period (000)	$ 89,244	$ 89,251	$ 83,111	$ 82,929	$ 74,256	$ 78,747	$
AMPS outstanding at $25,000	$ 26,100	$ 42,900	$ 42,900	$ 42,900	$ 42,900	$ 42,900	$

liquidation preference, end of period (000)							
Portfolio turnover	7%	32%	6%	6%	9%	6%	
Asset coverage per AMPS at $25,000 liquidation preference, end of period (000)	$110,497	$ 77,011	$ 73,433	$ 73,329	$ 68,275	$ 70,900	$

1 Based on average Common Shares outstanding.

2 Dividends and distributions are determined in accordance with federal income tax regulations.

3 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

4 Aggregate total investment return.

5 Do not reflect the effect of dividends to AMPS Shareholders.

6 Annualized.

7 Interest expense and fees relate to TOBs. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

8 For the six months ended January 31, 2013 and the year ended July 31, 2012, total expense ratio after fees waived and excluding interest expense, fees, amortization of offering costs and remarketing fees was 0.93% and 0.97%, respectively.

See Notes to Financial Statements.

Financial Highlights BlackRock Municipal Income Investment Trust (BBF)

	Six Months Ended January 31, 2013 (Unaudited)	Year Ended July 31, 2012	2011	2010	2009	Period November 1, 2007 to July 31, 2008
Per Share Operating Performance						
Net asset value, beginning of period	$ 15.91	$ 13.40	$ 13.91	$ 12.71	$ 14.08	$ 15.05
Net investment income	0.42[1]	0.86[1]	0.97[1]	0.92[1]	1.01[1]	0.80[1]
Net realized and unrealized gain (loss)	0.22	2.55	(0.56)	1.20	(1.36)	(0.89)
Dividends to AMPS Shareholders from net investment income		(0.00)[3]	(0.02)	(0.02)	(0.14)	(0.22)
Net increase (decrease) from investment operations	0.64	3.41	0.39	2.10	(0.49)	(0.31)
Dividends to Common Shareholders from net investment income	(0.43)	(0.90)[2]	(0.90)[2]	(0.90)[2]	(0.88)[2]	(0.66)[2]
Net asset value, end of period	$ 16.12	$ 15.91	$ 13.40	$ 13.91	$ 12.71	$ 14.08
Market price, end of period	$ 16.27	$ 16.25	$ 12.74	$ 13.90	$ 12.49	$ 13.68
Total Investment Return Applicable to Common Shareholders[4]						
Based on net asset value	4.07%[5]	26.21%	3.15%	17.04%	(2.57)%	(2.04)%[5]
Based on market price	2.84%[5]	35.59%	(1.86)%	19.01%	(1.46)%	(5.14)%[5]
Ratios to Average Net Assets Applicable to Common Shareholders						
	1.83%[6]	1.99%[7]	1.60%[7]	1.46%[7]	1.47%[7]	1.31%[6,7]

Total expenses						
Total expenses after fees waived and paid indirectly	1.83%[6]	1.99%[7]	1.60%[7]	1.37%[7]	1.27%[7]	1.06%[6,7]
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs[8]	1.48%[6,9]	1.61%[7,9]	1.33%[7]	1.17%[7]	1.16%[7]	1.02%[6,7]
Net investment income	5.21%[6]	5.89%[7]	7.35%[7]	6.84%[7]	8.13%[7]	7.26%[6,7]
Dividends to AMPS Shareholders		0.02%	0.14%	0.16%	1.11%	1.96%[6]
Net investment income to Common Shareholders	5.21%[6]	5.87%	7.21%	6.68%	7.02%	5.30%[6]
Supplemental Data						
Net assets applicable to Common Shareholders, end of period (000)	$108,058	$106,627	$ 89,726	$ 93,073	$ 85,050	$ 94,176
AMPS outstanding at $25,000 liquidation preference, end of period (000)			$ 34,250	$ 34,250	$ 34,250	$ 49,550
VRDP Shares outstanding at $100,000 liquidation value, end of period (000)	$ 34,200	$ 34,200				

Portfolio turnover	12%	39%	24%	46%	66%	13%
Asset coverage per AMPS at $25,000 liquidation preference, end of period			$ 90,493	$ 92,938	$ 87,082	$ 72,521
Asset coverage per VRDP Shares at $100,000 liquidation value, end of period	$415,958	$411,775				

[1] Based on average Common Shares outstanding.
[2] Dividends are determined in accordance with federal income tax regulations.
[3] Amount is less than $(0.01) per share.
[4] Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
[5] Aggregate total investment return.
[6] Annualized.
[7] Do not reflect the effect of dividends to AMPS Shareholders.
[8] Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
[9] For the six months ended January 31, 2013 and the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.17% and 1.31%, respectively.

See Notes to Financial Statements.

	Period August 30, 2012[1] to January 31, 2013 (Unaudited)
Per Share Operating Performance	
Net asset value, beginning of period	$ 23.88[2]
Net investment income[3]	0.23
Net realized and unrealized gain	0.16
Net increase from investment operations	0.39
Dividends to Common Shareholders from net investment income[4]	(0.40)
Capital charges with respect to the issuance of shares	(0.01)
Net asset value, end of period	$ 23.86
Market price, end of period	$ 23.94
Total Investment Return Applicable to Common Shareholders[5]	
Based on net asset value[6]	1.54%
Based on market price[6]	(2.68)%
Ratios to Average Net Assets Applicable to Common Shareholders	
Total expenses[7]	0.58%
Total expenses after fees waived and paid indirectly[7]	0.58%
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs[7,8]	0.50%
Net investment income [7]	2.25%
Supplemental Data	
Net assets applicable to Common Shareholders, end of period (000)	$ 1,682,314
RVMTP Shares outstanding at $5,000,000 liquidation value, end of period (000)	500,000
Portfolio turnover[9]	0%
Asset coverage per RVMTP Shares at $5,000,000 liquidation value, end of period	$21,823,139

1 Commencement of operations.
2 Net asset value, beginning of period, reflects a deduction of $1.125 per share sales charge from the initial offering price of $25.00 per share.
3 Based on average Common Shares outstanding.
4 A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.
5 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
6 Aggregate total investment return.
7 Annualized.
8 Interest expense, fees and amortization of offering costs relate to TOBs and/or RVMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and RVMTP Shares, respectively.
9 Amount rounds to less than 1%.

See Notes to Financial Statements.

Financial Highlights BlackRock New Jersey Municipal Income Trust (BNJ)

	Six Months Ended January 31, 2013 (Unaudited)	Year Ended July 31, 2012	2011	2010	2009	Period November 1, 2007 to July 31, 2008
Per Share Operating Performance						
Net asset value, beginning of period	$ 16.17	$ 14.07	$ 14.38	$ 12.78	$ 14.15	$ 15.49
Net investment income	0.44[1]	0.95[1]	0.98[1]	1.02[1]	1.05[1]	0.89[1]
Net realized and unrealized gain (loss)	0.12	2.11	(0.32)	1.54	(1.38)	(1.24)
Dividends to AMPS Shareholders from net investment income		(0.01)	(0.03)	(0.03)	(0.11)	(0.24)
Net increase (decrease) from investment operations	0.56	3.05	0.63	2.53	(0.44)	(0.59)
Dividends to Common Shareholders from net investment income	(0.49)	(0.95)[2]	(0.94)[2]	(0.93)[2]	(0.93)[2]	(0.75)[2]
Net asset value, end of period	$ 16.24	$ 16.17	$ 14.07	$ 14.38	$ 12.78	$ 14.15
Market price, end of period	$ 17.90	$ 17.67	$ 14.10	$ 14.82	$ 14.00	$ 15.09
Total Investment Return Applicable to Common Shareholders[3]						
Based on net asset value	3.37%[4]	22.25%	4.74%	20.22%	(2.62)%	(4.12)%[4]
Based on market price	4.26%[4]	33.30%	1.85%	13.11%	0.04%	(6.28)%[4]
Ratios to Average Net Assets Applicable to Common Shareholders						
	1.77%[5]	1.47%[6]	1.25%[6]	1.23%[6]	1.38%[6]	1.28%[5,6]

Total expenses						
Total expenses after fees waived and paid indirectly	1.77%[5]	1.46%[6]	1.24%[6]	1.13%[6]	1.17%[6]	1.03%[5,6]
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs[7]	1.12%[5]	1.18%[6,8]	1.22%[6]	1.12%[6]	1.14%[6]	1.02%[5,6]
Net investment income	5.33%[5]	6.28%[6]	7.09%[6]	7.42%[6]	8.49%[6]	7.92%[5,6]
Dividends to AMPS Shareholders		0.08%	0.21%	0.23%	1.22%	1.94%[5]
Net investment income to Common Shareholders	5.33%[5]	6.20%	6.88%	7.19%	7.27%	5.98%[5]
Supplemental Data						
Net assets applicable to Common Shareholders, end of period (000)	$124,262	$123,497	$107,226	$109,257	$96,696	$106,596
AMPS outstanding at $25,000 liquidation preference, end of period (000)			$ 59,100	$ 59,100	$59,100	$ 60,475
VMTP Shares outstanding at $100,000 liquidation value, end of period (000)	$ 59,100	$ 59,100				

Portfolio turnover	4%	20%	20%	11%	29%	12%
Asset coverage per AMPS at $25,000 liquidation preference, end of period			$ 70,358	$ 71,218	$65,905	$ 69,083
Asset coverage per VMTP Shares at $100,000 liquidation value, end of period	$310,257	$308,962				

1 Based on average Common Shares outstanding.

2 Dividends are determined in accordance with federal income tax regulations.

3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

4 Aggregate total investment return.

5 Annualized.

6 Do not reflect the effect of dividends to AMPS Shareholders.

7 Interest expense, fees and amortization of offering costs relate to TOBs and/or VMTP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VMTP Shares, respectively.

8 For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs and remarketing fees was 1.14%.

See Notes to Financial Statements.

Financial Highlights BlackRock New York Municipal Income Trust (BNY)

	Six Months Ended January 31, 2013 (Unaudited)	Year Ended July 31, 2012	2011	2010	2009	Period November 1, 2007 to July 31, 2008
Per Share Operating Performance						
Net asset value, beginning of period	$ 15.53	$ 13.87	$ 14.27	$ 12.71	$ 13.88	$ 15.11
Net investment income	0.43[1]	0.93[1]	1.01[1]	1.04[1]	1.06[1]	0.86[1]
Net realized and unrealized gain (loss)	0.11	1.73	(0.39)	1.54	(1.22)	(1.17)
Dividends to AMP Shareholders from net investment income		(0.01)	(0.03)	(0.03)	(0.10)	(0.21)
Net increase (decrease) from investment operations	0.54	2.65	0.59	2.55	(0.26)	(0.52)
Dividends to Common Shareholders from net investment income	(0.45)	(0.99)[2]	(0.99)[2]	(0.99)[2]	(0.91)[2]	(0.71)[2]
Net asset value, end of period	$ 15.62	$ 15.53	$ 13.87	$ 14.27	$ 12.71	$ 13.88
Market price, end of period	$ 16.82	$ 16.73	$ 14.20	$ 15.11	$ 13.95	$ 15.26
Total Investment Return Applicable to Common Shareholders[3]						
Based on net asset value	3.48%[4]	19.62%	4.39%	20.35%	(1.28)%	(3.71)%[4]
Based on market price	3.43%[4]	25.87%	0.94%	16.11%	(1.44)%	2.87%[4]
Ratios to Average Net Assets Applicable to Common Shareholders						
	1.83%[5]	1.49%[6]	1.27%[6]	1.25%[6]	1.43%[6]	1.25%[5, 6]

Total expenses						
Total expenses after fees waived and paid indirectly	1.82%[5]	1.49%[6]	1.27%[6]	1.16%[6]	1.25%[6]	1.00%[5, 6]
Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs[7]	1.13%[5]	1.18%[6, 8]	1.22%[6]	1.11%[6]	1.13%[6]	0.97%[5, 6]
Net investment income	5.43%[5]	6.34%[6]	7.35%[6]	7.50%[6]	8.67%[6]	7.79%[5, 6]
Dividends to Preferred Shareholders		0.08%	0.20%	0.22%	1.17%	1.91%[5]
Net investment income to Common Shareholders	5.43%[5]	6.26%	7.15%	7.28%	7.50%	5.88%[5]
Supplemental Data						
Net assets applicable to Common Shareholders, end of period (000)	$201,465	$200,020	$177,993	$182,372	$161,727	$175,927
AMPS outstanding at $25,000 liquidation preference, end of period (000)			$ 94,500	$ 94,500	$ 94,500	$ 95,850
VMTP Shares outstanding at $100,000 liquidation value, end of period (000)	$ 94,500	$ 94,500				

Portfolio turnover	13%	24%	17%	16%	18%	5%
Asset coverage per AMPS at $25,000 liquidation preference, end of period (000)			$ 72,089	$ 73,248	$ 67,787	$ 70,892
Asset coverage per VMTP Shares at $100,000 liquidation value, end of period	$313,191	$311,661				

1 Based on average Common Shares outstanding.
2 Dividends are determined in accordance with federal income tax regulations.
3 Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
4 Aggregate total investment return.
5 Annualized.
6 Do not reflect the effect of dividends to AMPS Shareholders.
7 Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.
8 For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs and remarketing fees was 1.13%.

See Notes to Financial Statements.

Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies:

BlackRock California Municipal Income Trust (BFZ), BlackRock Municipal Income Investment Trust (BBF), BlackRock New Jersey Municipal Income Trust (BNJ), BlackRock New York Municipal Income Trust (BNY), BlackRock Municipal Target Term Trust (BTT) (collectively, the Income Trusts) and BlackRock Florida Municipal 2020 Term Trust (BFO) are organized as Delaware statutory trusts. The Income Trusts and BFO are referred to herein collectively as the Trusts. The Trusts are registered under the 1940 Act as non-diversified, closed-end management investment companies. Prior to commencement of operations on August 30, 2012, BTT had no operations other than those relating to organizational matters and the sale of 5,571 Common Shares on August 16, 2011 to BlackRock Holdco 2, Inc., an affiliate of BTT, for $133,008. Investment operations for BTT commenced on August 30, 2012. The Trusts financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Board of Directors and the Board of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine, and make available for publication the NAV of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

Valuation: US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair values of their financial instruments at market value using independent dealers or pricing services under policies approved annually by the Board of the Trusts. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Trusts for all financial instruments.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement, which include the market approach, income approach and/or, in the case of recent investments, the cost approach, as appropriate. A market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trusts pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

Zero-Coupon Bonds: The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Forward Commitments and When-Issued Delayed Delivery Securities: The Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security,

Notes to Financial Statements (continued)

including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

Municipal Bonds Transferred to TOBs: The Trusts leverage their assets through the use of TOBs. A TOB is a special purpose entity established by a third party sponsor, into which a fund, or an agent on behalf of a fund, transfers municipal bonds into a trust (TOB Trust). Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates (TOB Trust Certificates), which are sold to third party investors, and residual certificates (TOB Residuals), which are generally issued to the participating funds that contributed the municipal bonds to the TOB Trust. If multiple funds participate in the same TOB, the rights and obligations under the TOB Residual will be shared among the funds ratably in proportion to their participation.

The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates at par plus accrued interest upon the occurrence of certain mandatory tender events defined in the TOB agreements, and (2) to transfer, subject to a specified number of days prior notice, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be collapsed without the consent of a Trust, as the TOB Residual holder, upon the occurrence of certain termination events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond and a judgment or ruling that interest on the municipal bond is subject to federal income taxation. Upon the occurrence of a Termination Event, the TOB would generally be liquidated in full with the proceeds typically applied first to any accrued fees owed to the trustee, remarketing agent and liquidity provider, and then to the holders of the TOB Trust Certificates up to par plus accrued interest owed on the TOB Trust Certificates, with the balance paid out to the TOB Residual holder. During the six months ended January 31, 2013, no TOBs in which the Trusts participated were terminated without the consent of the Trusts.

The cash received by the TOB from the sale of the TOB Trust Certificates, less transaction expenses, is paid to a Trust. The Trust typically invests the cash received in additional municipal bonds. Each Trust s transfer of the municipal bonds to a TOB Trust is accounted for as a secured borrowing; therefore, the municipal bonds deposited into a TOB are presented in the Trusts Schedules of Investments and the TOB Trust Certificates are shown in other liabilities in the Statements of Assets and Liabilities. The carrying amount of the Trusts payable to the holder of the TOB Trust Certificates, as reported in Statements of Assets and Liabilities as TOB Trust Certificates, approximates its fair value.

The Trusts may invest in TOBs on either a non-recourse or recourse basis. TOB Trusts are typically supported by a liquidity facility provided by a bank or other financial institution (the Liquidity Provider) that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment from the Liquidity Provider of par plus accrued interest on any business day prior to the occurrence of the termination events described above. When a Trust invests in TOBS on a non-recourse basis, and the Liquidity Provider is required to make a payment under the liquidity facility due to a termination event, the Liquidity Provider will typically liquidate all or a portion of the municipal securities held in the TOB Trust and then fund, on a net basis, the balance, if any, of the amount owed under the liquidity facility over the liquidation proceeds (the Liquidation Shortfall). If a Trust invests in a TOB on a recourse basis, the Trust will typically enter into a reimbursement agreement with the Liquidity Provider where the Trust is required to repay the Liquidity Provider the amount of any Liquidation Shortfall. As a result, a Trust investing in a recourse TOB will bear the risk of loss with respect to any Liquidation Shortfall. If multiple funds participate in any such TOB, these losses will be shared ratably in proportion to their participation. The recourse TOB Trusts, if any, are identified in the Schedules of Investments.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The TOB Trust Certificates have interest rates that generally reset weekly and their holders have the option to tender such certificates to the TOB for redemption at par at each reset date. At January 31, 2013, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for TOB Trust Certificates and the range of interest rates on the liability for TOB Trust Certificates were as follows:

	Underlying Municipal Bonds Transferred to TOBS	Liability for TOB Trust Certificates	Range of Interest Rates

			0.09%
BFZ	$368,425,314	$169,154,073	0.19%
BFO	$ 570,920	$ 360,000	0.16%
			0.09%
BBF	$ 69,728,358	$ 35,195,790	0.35%
			0.10%
BTT	$655,261,809	$462,594,948	0.17%
			0.10%
BNJ	$ 27,484,189	$ 14,366,757	0.35%
			0.09%
BNY	$ 74,108,937	$ 36,551,462	0.17%

For the six months ended January 31, 2013, the Trusts average TOB Trust Certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

	Average TOB Trust Certificates Outstanding	Daily Weighted Average Interest Rate
BFZ	$ 163,700,371	0.71 %
BFO	$ 380,924	0.59 %
BBF	$ 33,785,678	0.75 %
BTT	$ 120,414,480	0.93 %
BNJ	$ 10,969,732	0.76 %
BNY	$ 34,608,579	0.76 %

Should short-term interest rates rise, the Trusts investments in TOBs may adversely affect the Trusts net investment income and dividends to Common Shareholders. Also, fluctuations in the market value of municipal bonds deposited into the TOB may adversely affect the Trusts NAVs per share.

Notes to Financial Statements (continued)

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., TOBs and financial futures contracts), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The portion of distributions that exceeds a Trust s current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Distributions in excess of a Trust s taxable income and net capital gains, but not in excess of a Trust s earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

Income Taxes: It is the Trusts policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts , except BTT, US federal tax returns remains open for each of the four years ended July 31, 2012. The statutes of limitations on each Trust s, except BTT, state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standards: In December 2011, the Financial Accounting Standards Board (the FASB) issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements, which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarifies which investments and transactions are subject to the offsetting disclosure requirements. The scope of the disclosure requirements for offsetting will be limited to derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Trusts financial statement disclosures.

Deferred Compensation Plan: Under the Deferred Compensation Plan (the Plan) approved by each Trust s Board, the independent Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Deferred compensation liabilities are included in officer s and trustees fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

Other: Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Trusts have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

Notes to Financial Statements (continued)

2. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and/or to economically hedge, or protect, their exposure to certain risks such as Interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Trusts maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Trusts bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Counterparty risk related to exchange-traded financial futures contracts and options is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

Financial Futures Contracts: The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

Options: The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk, interest rate risk and/or commodity price risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Trusts purchase (write) an option, an amount equal to the premium paid (received) by the Trusts is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written).When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Trusts enter into a closing transaction), the Trusts realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, the Trusts bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Trusts may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Trusts purchasing or selling a security at a price different from the current market value.

Derivative Financial Instruments Categorized by Risk Exposure:

Fair Values of Derivative Financial Instruments as of January 31, 2013

	Asset Derivatives
	BFZ

	Statements of Assets and Liabilites Location	Value
Interest rate contracts:		
Financial futures contracts	Net unrealized appreciation[1]	$ 150,929

Liability Derivatives

	BNY	
	Statements of Assets and Liabilites Location	Value
Interest rate contracts:		
Financial futures contracts	Net unrealized depreciation[1]	$ (6,947)

[1] Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities.

Notes to Financial Statements (continued)

The Effect of Derivative Financial Instruments in the Statements of Operations
Six Months Ended January 31, 2013

	Net Realized Loss From	
	BFZ	BNY
Interest rate contracts:		
Financial futures contracts	$133,691	
Options[1]		$ (65,302)

[1] Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

	Net Change in Unrealized Appreciation/Depreciation on	
	BFZ	BNY
Interest rate contracts:		
Financial futures contracts	$ 150,629	$ (6,947)

For the six months ended January 31, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

	BFZ	BNY
Financial futures contracts:		
Average number of contracts sold	75	13
Average notional value of contracts sold	$9,846,094	$1,865,094
Options contracts:		
Average number of contracts purchased		1 [2]
Average notional value of contracts purchased		$206,500 [2]

[2] Actual contract amounts shown due to limited activity.

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. (PNC) is the largest stockholder and an affiliate, for 1940 Act purposes of BlackRock, Inc. (BlackRock).

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager), the Trusts investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Trust s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee based on a percentage of each Trust s average weekly net assets except for BTT, which is based on average daily net assets, at the following annual rates:

BFZ	0.58%
BFO	0.50%
BBF	0.60%
BTT	0.40%
BNJ	0.60%
BNY	0.60%

Average weekly net assets and average daily net assets are the average weekly or the average daily value of each Trust s total assets minus the sum of its accrued liabilities.

The Manager contractually agreed to waive a portion of the investment advisory fee on BFZ at an annual rate of 0.01% through December 31, 2012. For the six months ended January 31, 2013, the Manager waived $35,992, which is included in fees waived by advisor in the Statements of Operations.

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Trust s investment in other affiliated investment companies, if any. These amounts are included in fees waived by Manager in the Statements of Operations. For the six months ended January 31, 2013, the amounts waived were as follows:

BFZ	$ 4,107
BFO	$ 778
BBF	$ 479
BTT	$3,627
BNJ	$1,705
BNY	$ 3,133

For BFZ, BFO, BBF, BNJ and BNY, the Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Manager. For BTT the Manager entered into a sub-advisory agreement with BlackRock Investment Management, LLC (BIM), an affiliate of the Manager. The Manager pays BFM and BIM for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for a portion of the compensation paid to the Trusts Chief Compliance Officer.

4. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended January 31, 2013 were as follows:

	Purchases	Sales
BFZ	$ 80,037,548	$69,341,189
BFO	$ 8,564,823	$24,972,681
BBF	$ 21,704,055	$21,402,607
BTT	$2,666,352,073	$ 1,508,470
BNJ	$ 12,733,958	$ 7,451,195
BNY	$ 44,437,036	$ 43,210,853

Notes to Financial Statements (continued)

5. Income Tax Information:

As of July 31, 2012, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

Expires July 31,	**BFZ**	**BFO**	**BBF**	**BNJ**	**BNY**
2014	$ 1,681,553				
2015	465,742		$ 385,737	$ 592,744	
2016	186,028		866,417	15,502	$ 505,354
2017	3,782,470	$ 394,297			2,599,716
2018	12,894,572	62,100	6,858,066	1,390,524	1,480,575
2019			651,464	27,464	1,982,931
No expiration date[1]	3,514,455			229,851	406,587
Total	$ 22,524,820	$ 456,397	$ 8,761,684	$ 2,256,085	$ 6,975,163

[1] Must be utilized prior to losses subject to expiration.

As of January 31, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

	BFZ	**BFO**	**BBF**	**BTT**	**BNJ**
Tax cost	$600,535,744	$108,697,228	$ 121,019,204	$ 2,317,184,567	$ 166,433,297
Gross unrealized appreciation	$ 95,349,060	$ 6,986,168	$ 20,436,221	$ 28,243,150	$ 17,552,786
Gross unrealized depreciation	(78,436)	(1,204,015)	(812,331)	(14,439,539)	(1,831,443
Net unrealized appreciation	$ 95,270,624	$ 5,782,153	$ 19,623,890	$ 13,803,611	$ 15,721,343

6. Concentration, Market and Credit Risk:

BFZ, BFO, BNJ and BNY invest a substantial amount of their assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet it obligation.

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Trusts

Statements of Assets and Liabilities, less any collateral held by the Trusts.

As of January 31, 2013, BFZ invested a significant portion of its assets in securities in the County/City/Special District/School District and Utilities sectors. BFO, BBF and BNY invested a significant portion of their assets in securities in the County/City/Special District/School District sector. BNJ invested a significant portion of its assets in securities in the State and Transportation sectors. BTT invested a significant portion of its assets in securities in the County/City/Special District/School District and Transportation sectors. Changes in economic conditions affecting the County/City/Special District/School District, State, Utilities and Transportation sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

The Trusts may hold a significant amount of bonds subject to calls by the issuers at defined dates and prices. When bonds are called by issuers and the Trusts reinvest the proceeds received, such investments may be in securities with lower yields than the bonds originally held, and correspondingly, could adversely impact the yield and total return performance of a Trust.

7. Capital Share Transactions:

Each Trust is authorized to issue an unlimited number of shares, all of which were initially classified as Common Shares. The par value for each Trust s Common Shares is $0.001. Each Trust s Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders. At January 31, 2013, Common Shares of BTT owned by affiliates of the Manager were 5,571 shares.

Upon commencement of operations, organization costs associated with the establishment of the BTT were expensed by BTT. Offering costs incurred in connection with BTT s offering of Common Shares have been charged against the proceeds from the initial Common Share offering in the amount of $2,612,000.

Notes to Financial Statements (continued)

Common Shares

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

	Six Months Ended January 31, 2013	Year Ended July 31, 2012
BFZ	26,524	10,886
BBF	3,273	4,149
BNJ	10,564	19,942
BNY	20,862	48,391

Shares issued and outstanding remained constant for BFO for the six months ended January 31, 2013 and for the year ended July 31, 2012. For BTT shares issued and outstanding for the period August 30, 2012 to January 31, 2013, increased by 62,000,000 from the initial public offering and 8,500,000 from the underwriters exercising the over-allotment option.

Preferred Shares

The Trusts Preferred Shares rank prior to the Trusts Common Shares as to the payment of dividends by the Trusts and distribution of assets upon dissolution or liquidation of the Trusts. The 1940 Act prohibits the declaration of any dividend on the Trusts Common Shares or the repurchase of the Trusts Common Shares if the Trusts fail to maintain the asset coverage of at least 200% of the liquidation preference of the outstanding Preferred Shares. In addition, pursuant to the Preferred Shares governing instruments, the Trusts are restricted from declaring and paying dividends on classes of shares ranking junior to or on parity with the Preferred Shares or repurchasing such shares if the Trusts fail to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares governing instruments or comply with the basic maintenance amount requirement of the rating agencies then rating the Preferred Shares.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Trustees for each Trust. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Trust s sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

VRDP Shares

BBF has issued Series W-7 VRDP Shares, $100,000 liquidation value per share, in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended, (the Securities Act) and include a liquidity feature, pursuant to a liquidity agreement, that allows the holders of VRDP Shares to have their shares purchased by the liquidity provider in the event of a failed remarketing. BBF is required to redeem the VRDP Shares owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Upon the occurrence of the first unsuccessful remarketing, BBF is required to segregate liquid assets to fund the redemption. The VRDP Shares are subject to certain restrictions on transfer.

The VRDP Shares outstanding as of the six months ended January 31, 2013 were as follows:

	Issue Date	Shares Issued	Aggregate Principal	Maturity Date
BBF	9/15/11	342	$34,200,000	10/01/41

BBF has entered into a fee agreement with the liquidity provider that required a per annum liquidity fee to be paid to the liquidity provider. These fees are shown as liquidity fees in the Statements of Operations.

The initial fee agreement between BBF and the liquidity provider was for a 364 day term and was scheduled to expire on September 15, 2012 and subsequently extended until March 15, 2013, unless renewed or terminated in advance. On November 29, 2012, BBF entered into a new fee agreement with an alternate liquidity provider. The new fee agreement is for a 2 year term and is scheduled to expire on December 4, 2014, unless renewed or terminated in advance. The change in liquidity provider resulted in a mandatory tender of BBF s VRDP Shares on November 28, 2012 which were successfully remarketed by the remarketing agent.

In the event the fee agreement is terminated in advance, and BBF does not enter into a fee agreement with an alternate liquidity provider, the VRDP Shares will be subject to mandatory purchase by the liquidity provider prior to the termination of the fee agreement. BBF is required to redeem any VRDP Shares purchased by the liquidity provider six months after the purchase date. Immediately after the purchase of any VRDP Shares by the liquidity provider, BBF is required to begin to segregate liquid assets with BBF s custodian to fund the redemption. There is no assurance BBF will replace such redeemed VRDP Shares with any other preferred shares or other form of leverage.

BBF is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, BBF is required to begin to segregate liquid assets with the BBF s custodian to fund the redemption. In addition, BBF is required to redeem certain of its outstanding VRDP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of BBF. The redemption price per VRDP Share is equal to the liquidation value per share plus any outstanding unpaid dividends. In the event of an optional redemption of VRDP Shares prior to the initial termination date of the fee agreement, BBF must pay the liquidity provider fees on such redeemed VRDP Shares for the remaining term of the fee agreement up to the initial termination date.

Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on,

Notes to Financial Statements (continued)

among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned a long-term rating of Aaa from Moody s and AAA from Fitch. In May 2012, Moody s completed the review of its methodology for rating securities issued by registered closed-end funds. As of January 31, 2013, the VRDP Shares were assigned a long-term rating of Aa1 from Moody s under its new ratings methodology. The VRDP Shares continue to be assigned a long-term rating of AAA from Fitch.

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody s, Fitch and S&P. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly related based upon either short-term rating. As of January 31, 2013, the short-term ratings of the liquidity provider and the VRDP Shares for BBF were P-2, F1 and A1 as rated by Moody s, Fitch and/or S&P, respectively, which is within the two highest rating categories. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories.

For financial reporting purposes, VRDP Shares are considered debt of the issuer; therefore, the liquidation value, which approximates fair value, of VRDP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VRDP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VRDP Shares are treated as equity for tax purposes. Dividends paid to holders of VRDP Shares are generally classified as tax-exempt income for tax-reporting purposes.

BBF may incur remarketing fees of 0.10% on the aggregate principal amount of all VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. All of the BBF s VRDP Shares have successfully remarketed since issuance, with an annualized dividend rate of 0.16% for the six months ended January 31, 2013.

VRDP Shares issued and outstanding for BBF remained constant for the six months ended January 31, 2013.

VMTP Shares

BFZ, BNJ and BNY (collectively, the VMTP Funds) have issued Series W-7 VMTP Shares, $100,000 liquidation value per share, in a privately negotiated offering and sale of VMTP Shares exempt from registration under the Securities Act.

The VMTP Shares outstanding as of the six months ended January 31, 2013 were as follows:

	Issue Date	Shares Issued	Aggregate Principal	Term Date
BFZ	3/22/12	1,713	$171,300,000	4/01/15
BNJ	3/22/12	591	$ 59,100,000	4/01/15
BNY	3/22/12	945	$ 94,500,000	4/01/15

The VMTP Funds are required to redeem their VMTP Shares on the term date, unless earlier redeemed or repurchased or unless extended. There is no assurance that the term of the Trusts VMTP Shares will be extended or that the Trusts VMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to term date, the VMTP Funds are required to begin to segregate liquid assets with the Trusts custodian to fund the redemption. In addition, the Trusts are required to redeem certain of its outstanding VMTP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, the Trusts VMTP Shares may be redeemed, in whole or in part, at any time at the option of the Trusts. The redemption price per VMTP Share is equal to the liquidation value per share plus any outstanding unpaid dividends and applicable redemption premium. If the Trusts redeem the VMTP Shares on a date that is one year or more prior to the term date and the VMTP Shares are rated above A1/A+ by Moody s and Fitch, respectively, then such redemption is subject to a prescribed redemption premium based on the time remaining to the term date, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. The VMTP Shares are subject to certain restrictions on transfer, and the Trusts may also be required to register the VMTP Shares for sale under the Securities Act under certain circumstances. In addition, amendments to the VMTP governing document generally require the consent of the holders of VMTP Shares.

Dividends on the VMTP Shares are payable monthly at a variable rate set weekly at a fixed rate spread to the SIFMA Municipal Swap Index. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by Moody s and Fitch. At the date of issuance, the VMTP Shares were assigned long-term ratings of Aaa from Moody s and AAA from Fitch. In May 2012, Moody s completed the review of its methodology for rating securities issued by registered closed-end funds. As of January 31, 2013, the VMTP Shares were assigned a long-term rating of Aa2 from Moody s under its new rating methodology. The VMTP Shares continue to be assigned a long-term rating of AAA from Fitch. The dividend rate on the VMTP Shares is subject to a step-up spread if the Trusts fail to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

The average annualized dividend rates of the VMTP Shares for the six months ended January 31, 2013 were as follows:

	Rate
BFZ	1.15%
BNJ	1.15%
BNY	1.15%

Notes to Financial Statements (continued)

For financial reporting purposes, VMTP Shares are considered debt of the issuer; therefore the liquidation value, which approximates fair value, of VMTP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends paid on the VMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VMTP Shares are treated as equity for tax purposes. Dividends paid to holders of VMTP Shares are generally classified as tax-exempt income for tax-reporting purposes.

VMTP Shares issued and outstanding for BFZ, BNJ and BNY remained constant for the six months ended January 31, 2013.

RVMTP Shares

BTT has offered for issuance Series W-7 RVMTP Shares, $5,000,000 liquidation value per share, in a privately negotiated offering and sale of RVMTP Shares exempt from registration under the Securities Act. BTT has entered into an agreement with a qualified institutional buyer (the Purchaser) to sell up to $750,000,000 in Series W-7 RVMTP Shares to the Purchaser, and in connection with such agreement, BTT has sold $500,000,000 in RVMTP to the Purchaser as of January 31, 2013. As of January 31, 2013, the Purchaser was obligated to purchase an additional $250,000,000 in Series W-7 RVMTP Shares, upon request of BTT, subject to certain conditions being satisfied. The Purchaser s obligation to purchase the additional $250,000,000 in Series W-7 RVMTP Shares expires on March 31, 2013.

The RVMTP Shares outstanding as of January 31, 2013 were as follows:

	Issue Date	Shares Issued	Aggregate Principal	Term Date
BTT	1/10/2013	50	$250,000,000	12/31/30
	1/30/2013	50	$250,000,000	12/31/30

BTT is required to redeem its RVMTP Shares on the term date or within six months of an unsuccessful remarketing, unless earlier redeemed or repurchased. There is no assurance that BTT s RVMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the RVMTP Shares. In addition, BTT is required to redeem certain of its outstanding RVMTP Shares if it fails to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, BTT s RVMTP Shares may be redeemed, in whole or in part, at any time at the option of BTT. The redemption price per RVMTP Share is equal to the liquidation value per share plus any outstanding unpaid dividends. The RVMTP Shares are subject to certain restrictions on transfer outside of a remarketing. The RVMTP Shares are subject to remarketing upon 90 days notice by holders of the RVMTP Shares and 30 days notice by BTT. Each remarketing must be at least six months apart from the last remarketing. A holder of RVMTP Shares may submit notice of remarketing only if such holder requests a remarketing of at least the lesser of (i) $100,000,000 of RVMTP Shares or (ii) all of the RVMTP Shares held by such holder. Amendments to the RVMTP Shares governing document generally require the consent of the holders of RVMTP Shares.

Dividends on the RVMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). The initial fixed rate spread was agreed upon by the Purchaser and BTT on the initial date of issuance for the Series W-7 RVMTP Shares. The initial fixed rate spread may be adjusted at each remarketing or upon the agreement between BTT and all of the holders of the RVMTP Shares. In the event all of the RVMTP Shares submitted for remarketing are not successfully remarketed, a failed remarketing will occur, and all holders would retain their RVMTP Shares. In the event of a failed remarketing, the fixed rate spread would be set at the fixed rate spread applicable to such failed remarketing. BTT has the right to reject any fixed spread determined at a remarketing, and such rejection would result in a failed remarketing and the fixed rate spread being set at the fixed rate spread applicable to such failed remarketing. The fixed rate spread applicable due to a failed remarketing depends on whether the remarketing was pursuant to a mandatory or non-mandatory tender. In the case of a failed remarketing following a mandatory tender, the failed remarketing spread would be the sum of the last applicable spread in effect immediately prior to the failed remarketing date for such failed remarketing plus 0.75%. In the case of a failed remarketing not associated with a mandatory tender, the failed remarketing spread would be the sum of the last applicable spread in effect immediately prior to the failed remarketing date for such failed remarketing plus 0.25%. In the event of a failed remarketing that is not subsequently cured, BTT will be required to redeem the RVMTP Shares subject to such failed remarketing on a date that is approximately 6 months from the remarketing date for such failed remarketing, provided that no redemption of any RVMTP Share may occur within 1 year of the date of issuance of such RVMTP Share. At the date of issuance, the RVMTP Shares were assigned long-term ratings of Aaa from Moody s and AAA from Fitch. The dividend rate on the RVMTP Shares is subject to a step-up spread if the Fund fails to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and maintaining certain asset coverage and leverage requirements.

There were no RVMTP Shares that were tendered for remarketing during the period ended January 31, 2013.

The average annualized dividend rate for the BTT s RVMTP Shares for the period ended January 31, 2013 was 0.74%.

For financial reporting purposes, the RVMTP Shares are considered debt of the issuer; therefore the liquidation value, which approximates fair value, of the RVMTP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the RVMTP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. The RVMTP Shares are treated as equity for tax purposes. Dividends paid to holders of the RVMTP Shares are generally classified as tax-exempt income for tax-reporting purposes.

Offering Costs: The Income Trusts incurred costs in connection with the issuance of VRDP Shares, VMTP Shares and/or RVMTP Shares. For VRDP Shares, these costs were recorded as a deferred charge and will be

Notes to Financial Statements (continued)

amortized over the 30-year life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider, which were amortized over the life of the liquidity agreement. For VMTP Shares, these costs were recorded as a deferred charge and will be amortized over the 3-year life of the VMTP Shares. For RVMTP Shares, these costs were recorded as a deferred charge and will be amortized over the 18-year life of the RVMTP Shares. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

AMPS

The AMPS are redeemable at the option of BFO, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The AMPS are also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of BFO, as set forth in BFO s Statement of Preferences (the Governing Instrument) are not satisfied.

From time to time in the future, BFO may effect repurchases of its AMPS at prices below their liquidation preference as agreed upon by BFO and seller. BFO also may redeem its AMPS from time to time as provided in the applicable Governing Instrument. BFO intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

The BFO had the following series of AMPS outstanding, effective yields and reset frequency as of January 31, 2013:

	Series	Preferred Shares	Effective Yield	Reset Frequency Days
BFO	F-7	1,044	0.16%	7

Dividends on seven-day AMPS are cumulative at a rate which is reset every seven days based on the results of an auction. If the AMPS fail to clear the auction on an auction date, BFO is required to pay the maximum applicable rate on the AMPS to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of AMPS prior to November 1, 2012 was the higher of 110% of the AA commercial paper rate or 100% of 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate. The Kenny S&P 30-day High Grade Index was discontinued as of November 1, 2012. For purposes of calculating the maximum applicable rate, the Kenny S&P 30-day High Grade Index was replaced with the S&P Municipal Bond 7 Day High Grade Rate Index as of November 1, 2012. The low, high and average dividend rates on the AMPS for BFO for the six months ended January 31, 2013 were as follows:

	Series	Low	High	Average
BFO	F-7	0.14%	0.32%	0.24%

Since February 13, 2008, the AMPS of BFO failed to clear any of their auctions. As a result, the AMPS dividend rates were reset to the maximum applicable rate, which ranged from 0.14% to 0.32% for the six months ended January 31, 2013. A failed auction is not an event of default for BFO but it has a negative impact on the liquidity of AMPS. A failed auction occurs when there are more sellers of BFO s AMPS than buyers. A successful auction for BFO s AMPS may not occur for some time, if ever, and even if liquidity does resume, holders of AMPS may not have the ability to sell the AMPS at their liquidation preference.

BFO pays commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions. The commissions paid to these broker dealers are included in remarketing fees on Preferred Shares in the Statements of Operations.

AMPS issued and outstanding for BFO remained constant for the year ended July 31, 2012.

During the six months ended January 31, 2013, BFO announced the following redemptions of AMPS at a price of $25,000 per share plus any accrued and unpaid dividends through the redemption date:

	Series	Redemption Date	Shares Redeemed	Aggregate Principal
BFO	F-7	1/22/13	132	$ 3,300,000
	F-7	1/28/13	540	$13,500,000

During the year ended July 31, 2012, certain Trusts announced the following redemptions of AMPS at a price of $25,000 per share plus any accrued and unpaid dividends through the redemption date:

	Series	Redemption Date	Shares Redeemed	Aggregate Principal
BFZ	T-7	4/18/12	2,351	$58,775,000
	R-7	4/13/12	2,351	$58,775,000
	F-7	4/16/12	2,151	$58,775,000
BBF	T-7	10/12/11	1,370	$34,250,000
BNJ	R-7	4/13/12	2,364	$59,100,000
BNY	W-7	4/12/12	1,890	$47,250,000
	F-7	4/16/12	1,890	$47,250,000

BBF financed the AMPS redemptions with proceeds received from the issuance of VRDP Shares of $34,200,000.

BFZ, BNJ and BNY financed the AMPS redemptions with proceeds received from the issuance of VMTP Shares as follows:

BFZ	$171,300,000
BNJ	$59,100,000
BNY	$94,500,000

8. Subsequent Events:

Management s evaluation of the impact of all subsequent events on the Trusts financial statements was completed through the date the financial statements were issued and the following items were noted:

On February 20, 2013, BTT issued the final 50 Series W-7 RVMTP Shares with a $5,000,000 liquidation value per share, aggregate liquidation value of $250,000,000 and a maturity date of December 31, 2030, in a privately negotiated offering and sale of RVMTP Shares exempt from registration under the Securities Act.

Notes to Financial Statements (concluded)

Each Trust paid a net investment income dividend on March 1, 2013 to Common Shareholders of record on February 15, 2013:

	Common Dividend Per Share
BFZ	$0.077700
BFO	$0.056000
BBF	$0.072375
BTT	$0.099000
BNJ	$0.081100
BNY	$0.075000

The dividends declared on Preferred Shares for the period February 1, 2013, to February 28, 2013 were as follows:

	Series	Dividends Declared
BFZ VMTP Shares	W-7	$144,924
BFO AMPS	F-7	$ 3,268
BBF VRDP Shares	W-7	$ 5,322
BNJ VMTP Shares	W-7	$ 50,000
BNY VMTP Shares	W-7	$ 79,950

Additionally, the Trusts declared a net investment income dividend on March 1, 2013 payable to Common Shareholders of record on March 15, 2013:

	Common Dividend Per Share
BFZ	$0.077700
BFO	$0.056000
BBF	$0.072375
BTT	$0.099000
BNJ	$0.075100
BNY	$0.069000

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement

The Board of Trustees (the Board, the members of which are referred to as Board Members) of BlackRock Municipal Target Term Trust (the Trust) met on July 11, 2012 and July 27, 2012 to consider the approval of the Trust s investment advisory agreement (the Advisory Agreement) with BlackRock Advisors, LLC (the Manager), the Trust s investment advisor. The Board also considered the approval of the sub-advisory agreement (the Sub-Advisory Agreement) among the Manager, BlackRock Investment Management, LLC (the Sub-Advisor), and the Trust. The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreement and the Sub-Advisory Agreement are referred to herein as the Agreements.

Activities and Composition of the Board

At the time the Board considered the Agreements on July 11, 2012, the Board consisted of three individuals, two of whom were not interested persons of the Trust as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). At the time the Board considered the Agreements on July 27, 2012, the Board consisted of eleven individuals, six of whom were Independent Board Members, and an additional three of whom would be Independent Board Members after the completion of the Trust s initial public offering. The Board Members are responsible for the oversight of the operations of the Trust and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of the Board is an Independent Board Member. The Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee and a Leverage Committee, each of which is currently chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

The Agreements

Pursuant to the 1940 Act, the Board is required to consider the initial approval of the Agreements. In connection with this process, the Board assessed, among other things, the nature, scope and quality of the services to be provided to the Trust by BlackRock, BlackRock s personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

Board Considerations in Approving the Agreements

The Approval Process: Prior to the July 11, 2012 and July 27, 2012 meetings, the Board received materials specifically relating to the Agreements. The materials provided in connection with the July 11, 2012 meeting, and referred to in connection with the July 27, 2012 meeting, included information regarding (i) the investment objectives and policies of the Trust; (ii) the team of investment advisory personnel assigned to the Trust; (iii) the Trust s management fee and estimated total operating expenses as compared with a peer group of funds as determined by Lipper, Inc. (Lipper); and (iv) certain anticipated direct and indirect fallout benefits to BlackRock from its relationship with the Trust. Periodically, the Board Members, in connection with their duties as trustees or directors of other funds in the BlackRock family of closed-end funds, have received other information including general information regarding BlackRock s management of such funds, BlackRock s management of relationships with service providers to such funds, resources devoted to compliance with such funds investment objectives and policies, the structure and expertise of BlackRock and BlackRock s parent companies, BlackRock s policies and procedures in respect of execution of portfolio transactions and other matters.

At in person meetings held on July 11, 2012 and July 27, 2012, the Board, including the Independent Board Members, reviewed materials relating to its consideration of the Agreements and unanimously approved the Advisory Agreement between the Manager and the Trust, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and the Trust. In approving the Agreements, the Board considered, among other factors: (a) the nature, extent and quality of the services to be provided by BlackRock; (b) the investment performance of BlackRock portfolio management in general; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Trust; (d) economies of scale; (e) fall-out benefits to BlackRock as a result of its relationship with the Trust; and (f) other factors deemed relevant by the Board Members.

The Board also considered other matters it deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Trust portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Trust and advice from independent legal counsel with respect to the review process and materials submitted for the Board s review. The Board noted the willingness of BlackRock personnel to engage in open, candid discussions with the Board. The Board did not identify any particular information as controlling, and each Board Member may have attributed different weights to the various items considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock: The Board, including the Independent Board Members, reviewed the nature, extent and quality of services to be provided by BlackRock to the Trust. The Board met with BlackRock s senior management personnel responsible for investment operations, including the senior investment officers. The Board also reviewed the materials provided by the Trust s portfolio management team discussing the Trust s investment objective, strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and the Trust s portfolio management team; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Board engaged in a review of BlackRock s compensation structure with respect to the Trust s portfolio management team and BlackRock s ability to attract and retain high-quality talent.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement (continued)

In addition to advisory services, the Board considered the quality of the administrative and non-investment advisory services to be provided to the Trust. BlackRock and its affiliates will provide the Trust with certain services (in addition to any such services provided to the Trust by third parties) and officers and other personnel as are necessary for the operations of the Trust. In particular, BlackRock and its affiliates will provide the Trust with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Trust; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; and (viii) performing other administrative functions necessary for the operation of the Trust, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Board reviewed the structure and duties of BlackRock s fund administration, accounting, legal and compliance departments and considered BlackRock s policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Trust and BlackRock: In their capacity as members of the boards of directors or trustees of certain other BlackRock-advised funds, the Board Members, including the Independent Board Members, previously received and considered information about BlackRock s investment performance for other BlackRock-advised funds. The Board, however, could not consider the performance history of the Trust because the Trust was newly organized and had not yet commenced operations as of the July 11, 2012 or July 27, 2012 meetings.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Trust: The Board, including the Independent Board Members, reviewed the Trust s contractual management fee rate compared with the other funds in its Lipper category. It also compared the Trust s total expenses to those of other comparable funds. The funds within the peer group were selected by Lipper, which is not affiliated with BlackRock.

The Board, including the Independent Board Members, reviewed six sub-categories of fees and expenses for the Trust compared with the other funds in its Lipper peer group: (i) contractual management fees; (ii) total expenses, including investment-related expenses and taxes; (iii) total expenses, excluding investment-related expenses and taxes; (iv) management fees (common and leveraged); (v) management fees (common) and (vi) non-management expenses.

The Board noted that, relative to the other funds in its Lipper peer group, the Trust was in the first quartile and below the median in each of the sub-categories, with the exception of total expenses including investment-related expenses and taxes, where the Trust was above the median by approximate 0.17%, and non-management expenses, where the Trust was equal to the median. The Board recognized that the Trust s relatively less favorable comparison in the total expenses including investment-related expenses and taxes sub-category was largely due to distortions in the amount of investment-related expenses caused by the differences in the level and type of leverage utilized by the funds in the Trust s Lipper peer group, as opposed to that proposed for the Trust. The Board noted that the Trust assumed a 40% of managed assets leverage level and intended at the time to utilize only tender option bond trusts (TOBs) for leverage; whereas other funds in the Trust s Lipper peer group had a median leverage level of 35% of managed assets and generally utilized auction market preferred shares (AMPS) and/or TOBs for leverage. The Board recognized that accounting rules required the Trust and Lipper to reflect the interest expense paid through a TOB trust as an expense of the Trust for purposes of this analysis and the Trust s financial statements, but did not require funds using a comparable amount of AMPS leverage to do the same for preferred stock dividends.

The Board noted that the Trust ranks in the first quartile (and second lowest) once investment-related expenses and taxes are removed from the analysis, and that the Trust s contractual management fee was the second lowest in its Lipper peer group and that it was the same as or lower that of other target term trusts the Manager has sponsored in the past.

The Board also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Board.

As the Trust had not yet commenced operations, BlackRock was not able to provide the Board with specific information concerning the expected profits to be realized by BlackRock and its affiliates from their relationships with the Trust. BlackRock, however, noted that it will provide the Board with such information at future meetings.

Following consideration of this information, the Board, including the Independent Board Members, concluded that the fees to be paid pursuant to the Agreements were fair and reasonable in light of the services to be provided.

D. Economies of Scale: The Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of the Trust increase. The Board also considered the extent to which the Trust may benefit from such economies and whether there should be changes in the advisory fee rate or structure in order to enable the Trust to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Trust.

Based on the Board s review and consideration of the issue, the Board concluded that most closed-end fund complexes do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund s inception. The Board noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

Disclosure of Investment Advisory Agreement and Sub-Advisory Agreement (concluded)

E. Other Factors Deemed Relevant by the Board Members: The Board, including the Independent Board Members, also took into account other ancillary or fall-out benefits that BlackRock or its affiliates may derive from their respective relationships with the Trust, both tangible and intangible, such as BlackRock s ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock s profile in the investment advisory community, and the engagement of BlackRock s affiliates as service providers to the Trust, including securities lending and cash management services. The Board also considered BlackRock s overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Board further noted that BlackRock funds may invest in affiliated exchange-traded funds without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Board also received information regarding BlackRock s brokerage and soft dollar practices. The Board received reports from BlackRock which included information on brokerage commissions and trade execution practices for BlackRock closed-end funds throughout the year.

The Board noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Trust shares in the secondary market if they believe that the Trust s fees and expenses are too high or if they are dissatisfied with the performance of the Trust.

The Board, including all of the Independent Board Members, concluded that these ancillary benefits that BlackRock and its affiliates could receive with regard to providing investment advisory and other services to the Trust were consistent with those generally available to other fund sponsors.

Conclusion

The Board, including all the Independent Board Members, unanimously approved the Advisory Agreement between the Manager and the Trust and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and the Trust. Based upon its evaluation of all of the aforementioned factors in their totality, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Trust and its shareholders. In arriving at its decision to approve the Agreements, the Board, including the Independent Board Members, did not identify any single factor or group of factors as all-important or controlling, but considered all factors collectively in light of all the Trust s surrounding circumstances, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination.

Officers and Trustees

Investment Advisor
BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisors
BlackRock Financial Management, Inc.[1]
New York, NY 10055

BlackRock Investment Management, LLC[2]
Princeton, NJ 08540

Custodian
State Street Bank and Trust Company
Boston, MA 02110

Transfer Agent
Common Shares:
Computershare Trust Company, N.A.
Canton, MA 02021

AMPS Auction Agent
The Bank of New York Mellon
New York, NY 10289

VRDP Tender and Paying Agent,
RVMTP Tender and Paying Agent and
VMTP Redemption and Paying Agent
The Bank of New York Mellon
New York, NY 10289

VRDP Liquidity Provider
Barclays Bank PLC
New York, NY 10019

VRDP Remarketing Agent
Barclays Capital, Inc.
New York, NY 10019

Accounting Agent
State Street Bank and Trust Company
Boston, MA 02110

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
Boston, MA 02116

Legal Counsel
Skadden, Arps, Slate, Meagher & Flom LLP
New York, NY 10036

Address of the Trusts
100 Bellevue Parkway
Wilmington, DE 19809

[1] For all Trusts except BTT.
[2] For BTT.

Additional Information

Regulation Regarding Derivatives

Effective December 31, 2012, the Commodity Futures Trading Commission (CFTC) adopted certain regulatory changes that subject registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps (CFTC Derivatives), or if a fund markets itself as providing investment exposure to such instruments. To the extent a Trust uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act (CEA) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a commodity pool operator under the CEA in respect of a Trust.

Dividend Policy

Each Trust s dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Trusts may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The Trusts current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

Additional Information (continued)

General Information

On July 29, 2010, the Manager announced that a shareholder derivative complaint was filed on July 27, 2010 in the Supreme Court of the State of New York, New York County with respect to BFZ and BNJ, which had previously received a demand letter from a law firm on behalf of each trust s common shareholders. The complaint was filed against the Manager, BlackRock, BFZ, BNJ and certain of the directors, officers and portfolio managers (collectively, the BlackRock Parties) in connection with the redemption of auction-market preferred shares, auction rate preferred shares, auction preferred shares and auction rate securities (collectively, AMPS). The complaint alleged, among other things, that the BlackRock Parties breached their fiduciary duties to the common shareholders of BFZ and BNJ (the Shareholders) by redeeming AMPS at their liquidation preference and alleges that such redemptions caused losses to the Shareholders. On April 16, 2012, the plaintiffs amended their complaint and filed a consolidated shareholder derivative complaint which contains similar substantive allegations to the original complaint but which does not include BNJ as a nominal defendant. Thus, BNJ is no longer a nominal defendant in the derivative complaint. The plaintiffs are seeking monetary damages for the alleged losses suffered and to enjoin BFZ from future redemptions of AMPS at their liquidation preference. On July 20, 2012, the BlackRock Parties filed a motion to dismiss the Complaint (the Dismissal Motion). Plaintiffs, on September 14, 2012, moved to hold the defendant s motion to dismiss in abeyance and allow plaintiffs limited discovery of the Demand Review Committee of the Board of Trustees, including depositions of its members and documents upon which they relied. Argument on that motion occurred on March 14, 2013 and no decision has yet been rendered. The BlackRock Parties believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

The Trusts do not make available copies of their Statements of Additional Information because the Trusts shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust s offerings and the information contained in each Trust s Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Trusts investment objectives or policies or to the Trusts charters or by-laws that would delay or prevent a change of control of the Trusts that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts portfolios.

Additional Information (continued)

General Information (concluded)

Quarterly performance, semi-annual and annual reports and other information regarding the Trusts may be found on BlackRock s website, which can be accessed at **http://www.blackrock.com**. This reference to BlackRock s website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock s website in this report.

Electronic Delivery

Electronic copies of most financial reports are available on the Trusts websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

Householding

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called householding and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Trusts at (800) 882-0052.

Availability of Quarterly Schedule of Investments

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts Forms N-Q are available on the SEC s website at http://www.sec.gov and may also be reviewed and copied at the SEC s Public Reference Room in Washington, DC. Information on how to access documents on the SEC s website without charge may be obtained by calling (800) SEC-0330. The Trusts Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at **http://www.blackrock.com**; and (3) on the SEC s website at http://www.sec.gov.

Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at **http://www.blackrock.com** or by calling (800) 882-0052 and (2) on the SEC s website at http://www.sec.gov.

Availability of Trust Updates

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the Closed-end Funds section of **http://www.blackrock.com** as well as certain other information as necessary from time to time. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock s website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock s website in this report.

Additional Information (continued)

Section 19(a) Notice

These reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon the Trust s investment experience during the year and may be subject to changes based on the tax regulations. The Trust will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

January 31, 2013

	Total Fiscal Year-to-Date Cumulative Distributions by Character				Percentage of Fiscal Year-to-Date Cumulative Distributions by Character			
	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share
BTT	$0.182450		$0.213553	$0.396000	46%		54%	100%

The Trust estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder s investment in the Trust is returned to the shareholder. A return of capital does not necessarily reflect the Trust s investment performance and should not be confused with 'yield or 'income. When distributions exceed total return performance, the difference will incrementally reduce the Trust s net asset value per share.

Additional Information (concluded)

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

#CEF-BK6-1/13-SAR

Item 2 – Code of Ethics – Not Applicable to this semi-annual report
Item 3 – Audit Committee Financial Expert – Not Applicable to this semi-annual report
Item 4 – Principal Accountant Fees and Services – Not Applicable to this semi-annual report
Item 5 – Audit Committee of Listed Registrants – Not Applicable to this semi-annual report

Item 6 – Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report

Item 8 – Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable

Item 10 – Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.

Item 11 – Controls and Procedures

(a) – The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) – There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 – Exhibits attached hereto

(a)(1) – Code of Ethics – Not Applicable to this semi-annual report
(a)(2) – Certifications – Attached hereto
(a)(3) – Not Applicable
(b) – Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Target Term Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Target Term Trust

Date: April 3, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Target Term Trust

Date: April 3, 2013

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Municipal Target Term Trust

Date: April 3, 2013