

INTERLOCAL COOPERATION AGREEMENT AMONG THE CITY OF LAKELAND, TENNESSEE, THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE AND THE BOARD OF EDUCATION FOR THE LAKELAND SCHOOL SYSTEM RELATED TO THE ACQUISITION AND CONSTRUCTION OF SCHOOL PROJECTS

This Interlocal Cooperation Agreement (the or this "Agreement") is made and entered into as of this first day of December, 2017, among the CITY OF LAKELAND, TENNESSEE, THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, and the BOARD OF EDUCATION FOR THE LAKELAND SCHOOL SYSTEM.

RECITALS

WHEREAS, The Industrial Development Board of the City of Lakeland, Tennessee (the "IDB") is a duly organized and existing public corporation created under the provisions of Sections 7-53-101, et seq., Tennessee Code Annotated, as amended (the "Act") authorized "to finance, acquire, own, lease, or dispose of properties to maintain and increase employment opportunities" by promoting economic and industrial development" and by inducing "manufacturing, industrial, governmental, educational, financial, service, commercial, recreational, and agricultural enterprises to locate or remain in the state" (Section 7-53-102 of the Act) which includes financing and leasing "public building[s] for any city, county or metropolitan government of the State of Tennessee" (Section 7-53-101 of the Act); and

WHEREAS, pursuant to the Act and other applicable law, the Board of Commissioners (the "City Commission") of the City of Lakeland, Tennessee (the "City") at the request of the Board of Education for the Lakeland School System (the "BOE") desires the IDB to issue its bonds for the purpose of providing funding for (i) the acquisition of (A) a parcel of land located in Shelby County, City of Lakeland, State of Tennessee (the "Site"), to be transferred to the Issuer by the BOE, and (B) the middle school (the "Middle School Project") located on the Site, and (ii) the construction and equipping of additional school facilities for grades nine through twelve and constructing and equipping improvements to the Middle School Project (collectively, the "School Addition Project") on the Site for the City and the BOE, including all buildings, structures and facilities necessary in connection therewith (the Middle School Project and the School Addition Project being referred to collectively as the "Projects"); and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution of the Board of Directors of the IDB, the IDB has determined (a) to issue its \$_____ aggregate principal amount of The Industrial Development Board of the City of Lakeland, Tennessee, Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds") pursuant to an Indenture of Trust, dated as of December 1, 2017 (the "Indenture") between the IDB and U.S. Bank National Association, as trustee, to provide funds for the purposes described above and (b) to lease the Projects and the Site (collectively, the "Leased Property") to the City pursuant to a Lease Agreement, dated as of December 1, 2017 in consideration of certain rental payments which will be sufficient to pay the principal of, and premium, if any, and interest on the Series 2017 Bonds, any Additional Bonds (as defined in the Indenture) and certain other costs and expenses; and

WHEREAS, the City and the BOE will enter into a Sublease Agreement (the "Sublease") in which the City will sublease the Leased Property to the BOE, as the entity legally vested with responsibility for management, control and operation of schools for the City; and

WHEREAS, financing the acquisition and construction of public schools for the City will promote the location of enterprises identified above to locate and remain in the City by educating and training the citizens of the City and thereby maintaining and increasing employment opportunities; and

WHEREAS, it is a declared public purpose of the State of Tennessee that the construction of school facilities and the operation of such facilities is a public purpose; and

WHEREAS, under Tennessee law, the Charter of the City (the "Charter"), and City ordinances, the management control of the school system of the City is vested in the BOE and the authority to fund schools is in the City; and

WHEREAS, the City has further requested that the IDB enter into this Interlocal Agreement for the purpose appointing the BOE to supervise and manage the acquisition, construction and equipping of the Projects; and

WHEREAS, the parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act ("Interlocal Act"), codified at Section 12-9-101 et seq., Tennessee Code Annotated to effect the purposes stated herein; and

WHEREAS, the superintendent of schools (the Superintendent") is the chief administrative officer and executive official of the BOE and is responsible for exercising all executive and administrative functions of the BOE; and

WHEREAS, the parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act ("Interlocal Act"), codified at Section 12-9-101 et seq., Tennessee Code Annotated to effect the purposes stated herein ; and

WHEREAS, the purpose of the Interlocal Act is to permit local government units the most efficient use of their powers by enabling them to cooperate on a basis of mutual advantage and thereby provide services and facilities in a manner that will accord best with economic and other factors influencing the needs and development of local communities.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises made herein and other good and valuable consideration, and pursuant to the authority granted them by the Charter of the City of Lakeland, Tennessee law, and any applicable ordinances, the parties agree as follows.

1. Appointment of the BOE to Manage Construction. The IDB hereby appoints the BOE to supervise, control and manage the construction, furnishing and equipping of the Projects in its sole discretion. The City hereby approves and affirms such appointment. The BOE hereby accepts such appointment and will cause the construction, furnishing, and equipping the Projects in accordance with the plans and specifications of the BOE. The BOE shall enter into all applicable architectural, engineering, construction, and vendor contracts for the construction of the Projects. The construction of the Projects shall comply with all applicable statutes, ordinances, and regulations of any governmental entity or regulatory agency having jurisdiction over the Projects.

2. Requisition of Funds Under the Indenture. In accordance with Section 4.07 of the Indenture, the Superintendent, as an Authorized Representative of the BOE, is hereby directed to submit all requisitions in the form attached to the Indenture with supporting invoices to the Trustee to pay the Costs of Construction, as such term is defined by the Indenture, and apply such funds to the Costs of Construction of the Projects. The IDB through the Trustee will disburse such funds from the Construction Fund created under the Indenture.

3. Acceptance of Completed Projects. Upon completion of the Projects, the Superintendent or the Chairman of the BOE will file a Completion Certificate, as such term is defined in the Indenture, with the Trustee.

4. Remedies. In the event of a breach of this Agreement, the parties shall have all rights and remedies available under applicable law.

5. Reports and Notices. Upon receipt of any report or notice regarding the Projects, the IDB and the City shall immediately provide the Superintendent with a copy of such report or notice.

6. Authority. The parties recognize and affirm that the ultimate authority and responsibility for the operation of the school system is in the BOE, including construction of school facilities. In approving this Agreement, the governing bodies of the IDB and the City agree and understand that the transaction will not be deemed as setting any precedent, and it will in no way diminish, delegate, abridge, or abrogate the BOE's authority over the construction and capital improvement of school facilities.

7. Term. This Agreement shall terminate upon the delivery of the Completion Certificate by the BOE to the Trustee.

8. Successors. All provisions herein shall inure to and become binding upon the successors, representatives, receivers, and trustees of the parties hereto.

9. Notices. Any notices required or allowed hereunder shall be in writing and shall be deemed satisfactorily given (and any time period provided for given such notice shall commence) when (i) personally delivered or (ii) deposited in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, or forwarded by a nationally recognized overnight courier service, to the addresses of the respective parties specified below, or such other address as is specified in writing by notice to all parties hereto, as specified herein.

City of Lakeland: City of Lakeland
 10001 Highway 70
 Lakeland, Tennessee 38002
 Attention: City Manager and City Recorder

With a copy to: City Attorney
 Wiseman Bray PLLC
 8001 Centerview Parkway, Suite 103
 Memphis, Tennessee 38018
 Attention: Chris Patterson, Esq.

IDB: The Industrial Development Board of the City of Lakeland,
 Tennessee
 10001 Highway 70
 Lakeland, Tennessee 38002
 Attention: Chairman

With a copy to: Waller Lansden Dortch & Davis, LLP
 1715 Aaron Brenner Dr., Suite 300
 Memphis, Tennessee 38120
 Attention: Al Bright, Esq. and Alex Buchanan, Esq.

BOE: Lakeland School System
 5020 Lions Crest Drive
 Lakeland, Tennessee 38002
 Attention: Chairman and Superintendent

With a copy to: Burch Porter & Johnson
 130 N. Court Ave.

Memphis, Tennessee 38103
Attention: Eric Plumley, Esq.

10. Amendments and Modifications. This Agreement is intended by the parties as the final expression of their agreement and is intended as a complete statement of the terms herein. No amendment, modification, or alteration to this Agreement shall be valid or enforceable nor shall any waiver of any provision be effective unless such amendment, modification, or alteration is approved, in writing, by the governing body of the parties hereto.

11. Entire Agreement. This Agreement constitutes the entire, integrated agreement of the parties hereto and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12. Non-Assignment. This Agreement and the rights and duties hereunder shall not be assignable by any of the parties hereto.

13. Limitation of Liability. All covenants, stipulations, promises, agreements and obligations of the parties contained in this Agreement shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the parties hereto, as applicable, and not of any officer, director, employee or agent of such parties nor of any incorporator, director, employee or agent of any successor corporation to any such party, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith.

Signatures on Following Page

IN WITNESS WHEREOF, the undersigned have caused this Interlocal Agreement to be executed by their duly authorized representatives.

CITY OF LAKELAND, TENNESSEE

By: _____
Mayor

ATTEST:

By: _____
City Recorder

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE

By: _____
Chairman

ATTEST:

By: _____
Its: _____

BOARD OF EDUCATION FOR THE CITY OF
LAKELAND SCHOOL SYSTEM

By: _____
Chairman

ATTEST:

By: _____
Its: _____

[Interlocal Agreement]

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