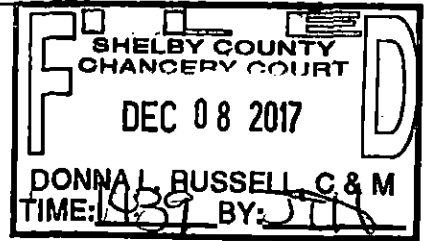


IN THE CHANCERY COURT OF TENNESSEE
FOR THE THIRTIETH JUDICIAL DISTRICT AT MEMPHIS

CARY MELTON and LILLIE MELTON, on behalf of themselves
and on behalf of the CITIZENS AND TAXPAYERS
OF THE CITY OF LAKELAND, TENNESSEE,

Plaintiffs,



VS.

DOCKET NO. CH-17-1772-1

CITY OF LAKELAND, TENNESSEE, and
the INDUSTRIAL DEVELOPMENT BOARD
of the CITY OF LAKELAND, TENNESSEE,

Defendants.

VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT, INJUNCTIVE RELIEF
PROHIBITING DEFENDANTS FROM ISSUING BONDS THAT VIOLATE STATE LAW
AND/OR TO COMPEL A REFERENDUM BY THE VOTERS OF THE CITY OF
LAKELAND, AND FOR VIOLATION OF THE TENNESSEE OPEN MEETINGS ACT

**TO THE HONORABLE CHANCELLORS OF
THE SHELBY COUNTY CHANCERY COURT**

COME NOW Plaintiffs Cary Melton and Lillie Melton (hereinafter referred to as "Plaintiffs"), by and through counsel, and file this Complaint against Defendants City of Lakeland, Tennessee and the Industrial Development Board of the City of Lakeland, Tennessee (hereinafter referred to as "Defendants"). In support thereof, Plaintiffs will show unto the Court the following:

I. INTRODUCTION

1. Plaintiffs bring this action to seek judicial intervention to prevent the unlawful issuance of \$60,000,000.00 Public Improvement Bonds by Defendant Industrial Development Board of the City of Lakeland, Tennessee (hereinafter referred to as the

“IDB”), payment for which Defendant City of Lakeland, Tennessee is absolutely and unconditionally liable in direct violation of T.C.A. § 7-53-306 which provides: “The municipality shall not, in any event, be liable for the payment of the principal of or interest on any bonds of the corporation [the IDB], or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever that may be undertaken by the corporation...”

2. The issuance of the \$60,000,000.00 Public Improvement Bonds will be the largest financial obligation in the history of the City of Lakeland.

3. The issuance of bonds at issue without approval of the citizens of the City of Lakeland is a new attempt to fund, *inter alia*, the construction of a high school for the City of Lakeland, Tennessee.

4. In 2015, the citizens of the City of Lakeland in a referendum vote rejected the issuance of \$50,000,000.00 General Obligation Bonds to fund construction of the proposed school.

5. Defendants now seek to thwart the will of the citizens and taxpayers of the City of Lakeland by acting in an ultra vires manner to facilitate the issuance of \$60,000,000.00 bonds previously disapproved by its voters.

II. PARTIES

6. At all times relevant hereto, Plaintiff Cary Melton is a resident, property owner, and taxpayer of the City of Lakeland, Shelby County, Tennessee.

7. At all times relevant hereto, Plaintiff Lillie Melton is a resident, property owner, and taxpayer of the City of Lakeland, Shelby County, Tennessee.

8. Defendant City of Lakeland, Tennessee is a municipal entity located in Shelby County, Tennessee, recognized by the State of Tennessee as a properly organized and legal municipal entity and can be served with process through its city attorney, Chris Patterson at his office located at 8001 Centerview Parkway, Suite 103, Memphis, Tennessee 38103.

9. The Industrial Development Board of the City of Lakeland, Tennessee is a political subdivision of the City of Lakeland, Tennessee with its principal office located at 10001 Highway 70, Lakeland, Shelby County, Tennessee 38002. The IDB may be served by serving its Chair Joseph Laster.

III. JURISDICTION AND VENUE

10. The jurisdiction of this Court is invoked pursuant to T.C.A. § 16-11-103.

11. Venue in this Court is appropriate because the events described herein occurred within Shelby County, Tennessee.

IV. FACTS

12. Elementary and middle school-aged children in the City of Lakeland may attend Lakeland Elementary School and Lakeland Middle Preparatory School.

13. High school-aged children in the City of Lakeland may attend schools in the Arlington and Bartlett school systems by agreement among the school systems of the cities of Lakeland and Arlington.

The Voters Rejected the Issuance of General Obligation Bonds

14. In late 2014, the City of Lakeland published notice that it intended to issue \$50,000,000.00 general obligation bonds for the construction of a school for grades 6-12.

15. In December 2014, a group of citizens of the City of Lakeland submitted a petition to the City of Lakeland requesting a referendum be placed on the ballot for the issuance of the general obligation bonds for the construction of a school for grades 6-12.

16. On April 16, 2015, the City of Lakeland held a Special Referendum to determine the will of its citizens regarding the issuance of \$50,000,000.00 in general obligations bonds.

17. The Special Referendum failed when approximately sixty percent (60%) of the voters comprised of citizens of the City of Lakeland voted against it.

The Creation of the IDB After the Failed Referendum

18. In September 2016, the Industrial Development Board of the City of Lakeland, Tennessee was created upon approval of a Resolution of the City of Lakeland Board of Commissioners.

Defendants' Approval of the Issuance of Public Improvement Bonds

19. On December 5, 2017 beginning at or about 5:30 p.m., the Board of Commissioners for the City of Lakeland (hereinafter referred to as the "BOC") sat for a Special Called Meeting for the purpose of discussing and taking action on Resolution 2017/12-84 (hereinafter referred to as the "Resolution").

20. The Resolution requested the issuance of Series 2017 Public Improvement Bonds by the IDB in an amount not to exceed \$60,000,000.00 (hereinafter referred to the "Series 2017 Bonds"), and the approval of the following documents (hereinafter collectively referred to as the "Bond Agreements"):

- (a) Resolution;
- (b) Interlocal Agreement;
- (c) Escrow Agreement;
- (d) IDB Lease Agreement (hereinafter the "Lease Agreement");
- (e) LSS Sublease Agreement;
- (f) Indenture of Trust (hereinafter the "Indenture of Trust");
- (g) Bond Counsel Engagement Letter;
- (h) Bond Purchase Agreement; and
- (i) Preliminary Official Statement (hereinafter the "Preliminary Official Statement").

21. A true and correct copy of the Bond Agreements are attached hereto as Exhibits A - I, as set forth in the preceding paragraph.

22. The Resolution and the Bond Agreements authorize the issuance and sale of the Series 2017 Bonds.

23. On December 5, 2017 beginning at or about 6:30 p.m., the IDB sat for a Special Called Meeting for the purpose of discussing taking action on a Resolution requesting the issuance of the Series 2017 Bonds (hereinafter referred to as the "IDB Resolution"), and the approval of the Bond Agreements. A true and correct copy of the IDB Resolution is attached hereto as Exhibit J.

24. The IDB Resolution confirmed its power to authorize the issuance of the Series 2017 Bonds.

25. The IDB Resolution confirmed that "the obligations of the City under the Lease shall be secured by and payable from legally available funds of the City, including a direct annual tax levied by the City...."

26. On December 5, 2017, Plaintiff Lillie Melton and other citizens of the City of Lakeland appeared at the Special Called Meeting, publicly voiced her opposition to the Resolution and the IDB Resolution as being illegal, and/or demanded that the citizens of

the City of Lakeland be permitted to vote on the issuance of the Public Improvement Bonds.

27. On or about December 5, 2017, the BOC approved the Resolution.

28. On or about December 5, 2017, the IDB approved the IDB Resolution.

29. The approval of the Resolution by the BOC and the IDB Resolution by the IDB places the Plaintiffs and the taxpayers of the City of Lakeland in immediate danger of having their tax burden illegally increased.

30. The approval of the Resolution by the BOC and the approval of the IDB Resolution by the IDB creates an unlawful absolute and unconditional liability on the part of Defendant City of Lakeland, Tennessee.

31. The Resolution and the IDB Resolution contemplate that the IDB will issue bonds to finance the construction of a high school and to pay off the City of Lakeland's outstanding debt which was used to finance the middle school (hereinafter referred to as the "Improvements") and the IDB will lease the Improvements to the City of Lakeland, which will in turn sublease the Improvements to the Board of Education of the City of Lakeland.

Lease Agreement Between the City and IDB

32. The Bond Agreements include the Lease Agreement between the IDB, as lessor, and the City of Lakeland, as lessee, in which the IDB will lease the Improvements to Defendant City of Lakeland.

33. Section 4.01(a) of the Lease Agreement provides that "The City shall pay the Base Rentals and the Additional Rentals for use of the Leased Property in the amount, at the time and in the manner set forth herein, said amounts constituting in the aggregate

the total of the annual Lease Payments payable under this Lease. The City shall levy and collect the Direct Tax and shall pay Lease Payments from proceeds of the Direct Tax, which is hereby pledged to the payment of all Lease Payments hereunder. Lease Payments are additionally payable from, but not secured by, any other legally available funds of the City.”

34. Section 4.03 of the Lease Agreement provides, in part, that “It is understood and agreed that all Base Rentals Payable under Section 4.01(a) hereof by the City are assigned to the Trustee pursuant to the Indenture. The City consents to such assignment, and hereby agrees that its obligation to pay the Base Rentals from Lease Payments shall be **absolute and unconditional....**”

35. Section 11.02 of the Lease Agreement provides, in part, that “This Lease shall at all times be subject to the lien of the Indenture and to all the terms, conditions and provisions thereof....”

Indenture of Trust Between IDB and U.S. Bank, N.A., as Trustee

36. The Indenture of Trust is between the IDB, as issuer of Public Improvement Bonds, Series 2017, and U.S. Bank National Association, as Trustee.

37. In the section of the Indenture of Trust titled “Granting Clause First,” Defendant IDB, in order to secure the payment of the principal, premium, and interest on the Series 2017 Bonds grants, assigns, and pledges unto U.S. Bank, N.A. a security interest in all rights and interest of IDB in and to the Pledged Revenues under the Lease Agreement, together with all rights, powers, privileges, options and other benefits of the IDB as lessor under the Lease Agreement including, without limitation to the right to receive and collect all amount to be paid pursuant to the Lease Agreement.

38. In the section of the Indenture of Trust titled "Granting Clause First," Defendant IDB, in order to secure the payment of the principal, premium, and interest on the Series 2017 Bonds grants, assigns, and pledges unto U.S. Bank, N.A. the right to take such action upon the occurrence of an Event of Default with respect to the Lease, including commencing legal proceedings, and to do all other things whatsoever which the IDB is or may be entitled to do under the Lease Agreement.

39. In the section of the Indenture of Trust titled "Granting Clause Second," Defendant IDB agrees that "This Indenture constitutes or shall be treated as constituting a security agreement under the Tennessee Uniform Commercial Code, so that the Trustee [U.S. Bank, N.A.] shall have and may enforce a security interest to secure payments of all sums due or to become due under this Indenture imposed by the foregoing provisions hereof...."

Preliminary Official Statement for Investors

40. The Preliminary Official Statement relating to the Series 2017 Bonds provides that "Such payments and certain rights of the Issuer [the IDB] under the Lease have been assigned by the Issuer to the Trustee [U.S. Bank National Association] pursuant to the Indenture as security for the Series 2017 Bonds."

41. Page vi of the Preliminary Official Statement provides, in part, that:

Payments made under the Lease are in an amount equal to the amount needed to pay debt service on the Series 2017 Bonds, and the Municipality will pay amounts due under the Lease from legally available funds of the Municipality including, without limitation, the proceeds of a direct annual tax levied and collected by the Municipality pursuant to the authority provided by Section 7-53-311, Tennessee Code Annotated, as amended (collectively, the "Base Rentals"). The Series 2017 Bonds are payable solely from (i) the Base Rentals, and (ii) certain funds held by the Trustee

under the Indenture (collectively, the "Pledged Revenues"). Such payments and certain rights of the Issuer under the Lease have been assigned by the Issuer of the Trustee pursuant to the Indenture, as security for the Series 2017 Bonds.

V. CAUSES OF ACTION

42. Plaintiffs incorporate by reference the allegations in the preceding paragraphs.

43. As residents, property owners, and taxpayers of the City of Lakeland, Plaintiffs' rights, status and legal relations are affected by the Defendants' approval of the Bond Agreements and the issuance of the Series 2017 Bonds.

44. The statutes pertaining to the power of industrial development corporations to issue bonds is set forth in T.C.A. § 7-53-301, *et. seq.*

45. The IDB is a "corporation" as that term is used in T.C.A. § 7-53-301, *et. seq.*

Count 1: Declaratory Judgment that the Defendants Violated T.C.A § 7-53-306

46. Pursuant to the Declaratory Judgment Act, T.C.A. § 29-14-101, *et seq.*, this Court is empowered to declare rights, status, and other legal relations of the parties to a dispute, and to determine the construction of and validity of local legislative actions.

47. T.C.A § 7-53-311 provides that a municipality may enter into a lease agreement with an industrial development board, and levy a direct annual tax sufficient with any other monies available and pledged to pay the rental payable under such lease agreement.

48. Any lease agreement entered into pursuant to T.C.A § 7-53-311 must also comply with the other statutes pertaining to the power of industrial development corporations to issue bonds as set forth in T.C.A. § 7-53-301, *et. seq.*, including but not

limited to T.C.A. § 7-53-306.

49. T.C.A. § 7-53-306 provides: "The municipality shall not, in any event, be liable for the payment of the principal of or interest on any bonds of the corporation, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever that may be undertaken by the corporation..."

50. T.C.A § 7-53-311 does not authorize, and T.C.A. § 7-53-306 prohibits, any agreement by Defendants which makes Defendant City of Lakeland liable for the payment of the principal of and interest on the Series 2017 Bonds.

51. Pursuant to the Bond Agreements, Defendant City of Lakeland is absolutely and unconditionally liable for the payment of the principal of and interest on the Series 2017 Bonds.

52. Pursuant to the Bond Agreements, Defendant City of Lakeland is liable to the Trustee, U.S. Bank National Association, for the performance of the pledges, obligations and agreements undertaken by it in the Lease Agreement and by the IDB in the Indenture of Trust.

53. The Defendants' approval of the Bond Agreements and the issuance of the Series 2017 Bonds violates T.C.A. § 7-53-306, is a misuse and unlawful diversion of public funds and is an ultra vires act.

54. Pursuant to T.C.A. § 29-14-101, *et seq.*, Plaintiffs seek a declaratory judgment declaring that the Bond Agreements and issuance of the Series 2017 Bonds violate T.C.A. § 7-53-306.

55. Pursuant to T.C.A. § 29-14-101, *et seq.*, Plaintiffs seek a declaratory judgment declaring that the Defendants' approval and execution of the Resolution and

the IDB Resolution and all agreements executed pursuant thereto are ultra vires acts, null and void, and unenforceable.

56. Pursuant to T.C.A. § 29-14-101, *et seq.*, Plaintiffs seek a declaratory judgment declaring that any and all agreements and documents assented to by the Defendants to obtain the issuance of the Series 2017 Bonds at issue are ultra vires acts, null and void, and unenforceable.

Count 2: Alternatively, Declaratory Judgment for Violation of T.C.A. § 7-53-302(b)

57. Pursuant to T.C.A. § 7-53-302(b), the IDB does not “have the power to pledge at any time or in any manner the general credit or taxing power of the municipality except as provided in § 7-53-306.”

58. T.C.A. § 7-53-306 provides, in part, that a municipality may pledge its full faith and credit as surety to the payment of the principal of and interest on bonds in the manner set forth therein, including the holding of an election requiring three fourths of the votes cast in favor of lending the municipality’s credit.

59. Pursuant to the Lease Agreement, Defendant City of Lakeland, Tennessee is absolutely and unconditionally liable to Defendant IDB for the payments made thereunder.

60. The absolute and unconditional payments and other obligations of Defendant City of Lakeland, Tennessee set forth in the Lease Agreement are assigned to the Trustee pursuant to the Indenture of Trust.

61. Pursuant to the Indenture of Trust, Defendant IDB, assigns and pledges unto U.S. Bank, N.A., as Trustee, the right to take such action against Defendant City of

Lakeland, including commencing legal proceedings, and to do all other things whatsoever which the IDB is entitled to do under the Lease Agreement.

62. The assignment of the absolute and unconditional payments and other rights and obligations under the Lease Agreement is a pledge of the general credit of Defendant City of Lakeland, Tennessee.

63. The Defendants pledge of the general credit of Defendant City of Lakeland, Tennessee without holding a referendum election in which three fourths of the votes cast in favor of lending the municipality's credit violates T.C.A. § 7-53-302(b), is a misuse and unlawful diversion of public funds and is an ultra vires act.

64. Pursuant to T.C.A. § 29-14-101, *et seq.*, Plaintiffs seek a declaratory judgment declaring that the Defendants violated T.C.A. § 7-53-302(b) by failing to hold the referendum election required by T.C.A. § 7-53-306.

Count Three: Violation of Tennessee Open Meetings Act, T.C.A. 8-44-101, *et seq.*

65. Prior to the Special Called Meetings on December 5, 2017, the commissioners of the BOC and the board members of the IDB engaged in chance meetings, informal assemblages, and/or electronic communications prior to the Special Called Meetings which were used to decide and/or deliberate on the approval of the Resolution and the IDB Resolution.

66. Defendant City of Lakeland failed to give adequate notice of the Special Called Meeting of the BOC on December 5, 2017 in violation of T.C.A. § 8-44-103.

67. Defendant IDB failed to give adequate notice of the Special Called Meeting of the IDB on December 5, 2017 in violation of T.C.A. § 8-44-103.

68. The actions of the BOC taken in the December 5, 2017 Special Called Meeting, including but not limited to approval of the Resolution and the Bond Agreements, are void and of no effect pursuant to T.C.A. § 8-44-105.

69. The actions of the IDB taken in the December 5, 2017 Special Called Meeting, including but not limited to approval of the IDB Resolution and the Bond Agreements, are void and of no effect pursuant to T.C.A. § 8-44-105.

Count Four: Request for Temporary and Permanent Injunctions

70. Plaintiffs request that a temporary injunction be issued enjoining and restraining Defendants from taking any action in furtherance of, entering into and performing under any contract, including but not limited to the Bond Agreements, in conjunction with the Series 2017 Bonds.

71. Plaintiffs requests that a permanent injunction be issued enjoining and restraining Defendants from taking any action in furtherance of, entering into and performing under any contract, including but not limited to the Bond Agreements, in conjunction with the Series 2017 Bonds.

72. Pursuant to T.C.A. § 8-44-105, a permanent injunction be issued enjoining any person found to be in violation of Tennessee Open Meetings Act, T.C.A. 8-44-101 *et seq.* from further violations.

73. Plaintiffs and the citizens of the City of Lakeland will suffer probable, imminent, and irreparable harm, if Defendants are not enjoined as requested herein.

74. Plaintiffs are substantially likely to prevail on the merits.

75. Plaintiffs has also shown a substantial likelihood of irreparable injury if

injunctive relief is not granted as there is no harm to the public interest if an injunction issues, and, in fact, the issuance of an injunction under the circumstances and facts of this case protects the public interest.

76. The threat of harm to Plaintiffs and the citizens of the City of Lakeland outweighs any harm to Defendants.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray, request, and demand this Honorable Court as follows:

a) that process be issued in terms provided by law and that the Defendants be served in accordance to law;

b) that this Court declare that the Bond Agreements and issuance of the Series 2017 Bonds violate T.C.A. § 7-53-306;

c) that this Court declare that the Defendants' approval and execution of the Resolution and the IDB Resolution and all agreements executed pursuant thereto are ultra vires acts, null and void, and unenforceable;

d) that this Court declare that any and all agreements and documents assented to by the Defendants to obtain the issuance of the Series 2017 Bonds at issue are ultra vires acts, null and void, and unenforceable;

e) that this Court declare that the Defendants violated T.C.A. § 7-53-302(b) by failing to hold the referendum election required by T.C.A. § 7-53-306;

f) that this Court order Defendant City of Lakeland to hold a referendum election;

g) that this Court rule that the Defendants violated the Tennessee Open Meetings Act, T.C.A. 8-44-101, *et seq.*

h) that this Court enter a temporary injunction be issued enjoining and restraining Defendants from taking any action in furtherance of, entering into and performing under any contract, including but not limited to the Bond Agreements, in conjunction with the Series 2017 Bonds;

i) that this Court enter a permanent injunction be issued enjoining and restraining Defendants from taking any action in furtherance of, entering into and performing under any contract, including but not limited to the Bond Agreements, in conjunction with the Series 2017 Bonds;

j) that this Court enter a permanent injunction be issued enjoining any person found to be in violation of Tennessee Open Meetings Act, T.C.A. 8-44-101 *et seq.* from further violations;

k) that this Court award Plaintiffs their attorneys' fees and expenses incurred in prosecuting this matter;

l) that this Court award Plaintiffs pre-judgment and post-judgment interest;
and

m) that Plaintiffs receive all other relief which this Court may determine to be just and proper.

THIS IS THE FIRST APPLICATION FOR EXTRAORDINARY AND INJUNCTIVE RELIEF IN THIS CAUSE.

Respectfully submitted,

Spence Law Firm, PLLC



Robert L. J. Spence, Jr. – BPR # 12256

Bryan M. Meredith – BPR # 26876

Brinkley Plaza Building

80 Monroe Avenue

Garden Suite One

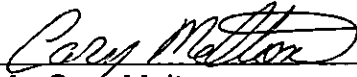
Memphis, Tennessee 38013

(901) 312-9160

(901) 521-9550

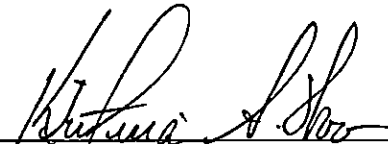
VERIFICATION

I, Mr. Cary Melton, hereby gives oath that I have read the foregoing Complaint and the facts contained therein are true to the best of my knowledge, information and belief.



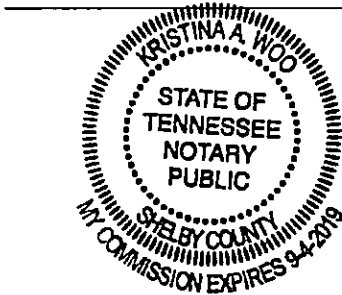
Mr. Cary Melton

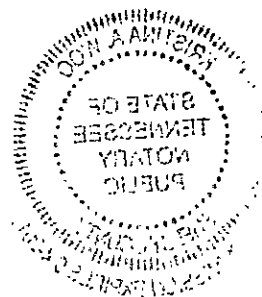
SWORN TO AND SUBSCRIBED before me this 8th day of December, 2017.



NOTARY

My commission expires:





VERIFICATION

I, Ms. Lillie Melton, hereby gives oath that I have read the foregoing Complaint and the facts contained therein are true to the best of my knowledge, information and belief.

Lillie Melton

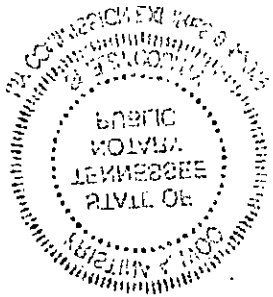
Ms. Lillie Melton

SWORN TO AND SUBSCRIBED before me this 8th day of December, 2017.

Kristina A. Wood
NOTARY

My commission expires:





**IN THE CHANCERY COURT OF SHELBY COUNTY, TENNESSEE FOR THE
THIRTIETH JUDICIAL DISTRICT AT MEMPHIS**

Cary Melton and Lillie Melton et al

Plaintiff

vs.

Docket No. _____

City of Lakeland, Tennessee, et al.

Defendant

FIAT

TO THE CLERK OF THIS COURT:

Based upon the record in this matter, issue one or more of the following:

NOTICE OF HEARING

Issue Notice and set this matter for hearing on _____, the _____ day of _____, _____ at _____ o'clock ____ m.

WRIT OF CERTIORARI

Issue a Writ of Certiorari as prayed for in this matter.

WRIT OF SCIRE FACIAS (CONTEMPT)

Issue a Writ of Scire Facias as prayed for in this matter and set this matter for hearing on _____, the _____ day of _____, _____ at _____ o'clock ____ m.

INJUNCTION

Issue the injunction as prayed for in this matter upon bond being given in the amount of \$ _____.

TEMPORARY RESTRAINING ORDER (TRO)

Issue the Temporary Restraining Order as prayed for in this matter upon bond being given in the amount of \$ _____ and issue Notice setting this matter for hearing on _____, the _____ day of _____, _____ at _____ o'clock ____ m. for Defendant to show cause why Plaintiff is not entitled to have the relief prayed for in this matter.

Chancellor

Date and Time

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

WHEREAS, the Board of Education for the Lakeland School System (the "BOE") by resolution adopted on December 4, 2017, has requested that the City of Lakeland, Tennessee (the "City") assist the BOE by refinancing the middle school and the parcel of land upon which it is located in Shelby County, City of Lakeland, State of Tennessee (the "Site") (collectively, the "Middle School Project") and to construct and equip additional school facilities for grades nine through twelve and construct and equip improvements to the middle school (collectively, the "School Addition Project"), 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

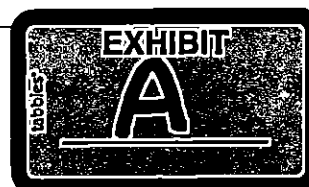
WHEREAS, the City, a political subdivision of the State of Tennessee (the "State"), desires to assist the BOE, which is established by the City pursuant to the State law and as authorized by the City's charter, in causing the construction, equipping, and acquisition of the Projects; and

WHEREAS, the Board of Commissioners of the City (the "Governing Body") finds it in the best interests of the City to provide such financing by requesting that The Industrial Development Board of the City of Lakeland, Tennessee (the "IDB"): (i) issue its Public Improvement Bonds (City of Lakeland School Project) (the "Series 2017 Bonds") pursuant to the provisions of Sections 7-53-101 et seq., Tennessee Code Annotated (the "Act"), to be secured by and contain such terms as are set forth in an Indenture of Trust (the "Indenture") between the IDB and U.S. Bank National Association, as trustee (the "Trustee") to acquire the Site and the Middle School Project and to construct and equip the School Addition Project on the Site, (ii) lease the Projects and the Site to the City to be subleased to the BOE, and (iii) enter into an interlocal cooperation agreement (the "Interlocal Agreement") pursuant to Sections 12-9-101 et seq., Tennessee Code Annotated, as amended, among the BOE, the IDB, and the City to designate the BOE as the entity responsible for the management and oversight of the development, acquisition and construction of the Projects; and

WHEREAS, the IDB is a duly organized and existing public corporation created under the provisions of the Act "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, 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, under the Act and its certificate of incorporation, the IDB is empowered to issue its bonds to acquire, construct and equip the Projects, lease the Projects to the City, and enter into the Interlocal Agreement designating the BOE as the entity responsible for causing the Projects to be acquired and constructed; and



RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

WHEREAS, to facilitate the financing of the Projects, the BOE has agreed to transfer the ownership of the Site and all improvements thereon to the IDB subject to the terms and provisions of the Interlocal Agreement; and

WHEREAS, a portion of the funds derived from the Series 2017 Bonds will be applied to the purchase price of the Site and will be used to defease the City's outstanding General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015 (the "Notes"), the proceeds of which were used to finance the middle school; and

WHEREAS, the City requests that the IDB enter into a lease-purchase agreement (the "Lease") pursuant to which the City will lease the Projects from the IDB and make rental payments under the Lease in an amount equal to the principal of, premium, if any, and interest on the Series 2017 Bonds, and all other costs associated with the Series 2017 Bonds; and

WHEREAS, the obligations of the City under the Lease shall be secured by and payable from a direct annual tax levied by the City pursuant to the authority of Section 7-53-311 of the Act and shall be additionally payable from, but not secured by, other legally available funds of the City; and

WHEREAS, the City desires to enter into a sublease agreement (the "Sublease") with the BOE subleasing the Projects to the BOE which is the entity legally vested with responsibility for management, control and operation of schools for the City; and

WHEREAS, the City requests that the IDB and the BOE enter into the Interlocal Agreement for the purpose appointing the BOE to supervise the acquisition, construction and equipping of the Projects; and

WHEREAS, the City desires to enter into an Escrow Agreement (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent for the purpose of causing funds, sufficient with legally available funds of the City, to be deposited to an escrow fund, and used, together with investment earnings thereon, to pay principal of and interest on the Notes to and on the first optional redemption date of the Notes; and

WHEREAS, the City recommends that the IDB engage Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Piper Jaffrey & Co. (collectively, the "Underwriter") to act as the Underwriter for the purchase and sale of the Series 2017 Bonds pursuant to a Bond Purchase Agreement (the "Purchase Agreement") among the City, the IDB and the Underwriter; and

WHEREAS, the Underwriter will circulate on behalf of the IDB and the City, a Preliminary Official Statement and a final Official Statement (respectively, the "Preliminary Official Statement" and the "Final Official Statement", and collectively, the "Official Statement") in connection with the offering of the Series 2017 Bonds for sale; and

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

WHEREAS, the City desires to engage Bass, Berry & Sims PLC to act as bond counsel ("Bond Counsel") to the City in connection with the issuance of the Series 2017 Bonds pursuant to an engagement letter (the "Engagement Letter"); and

WHEREAS, it is now necessary and desirable for the Governing Body of the City to authorize and approve the taking of actions and/or the execution of documents in connection with the Series 2017 Bonds, the Indenture, the Lease, the Interlocal Agreement, the Sublease, the Escrow Agreement, the Purchase Agreement, the Engagement Letter, and the Official Statement; and

WHEREAS, there has been prepared and presented to the Governing Body, the forms of the Indenture, the Lease, the Interlocal Agreement, the Sublease, the Escrow Agreement, the Purchase Agreement, the Engagement Letter, and the Official Statement which the City proposes to enter into or approve; and

WHEREAS, the execution and delivery of the Lease, the Interlocal Agreement, the Sublease, the Escrow Agreement, the Purchase Agreement, the Engagement Letter, and the Official Statement appear to be in the best interest of the citizens of the City, are in appropriate form and are appropriate instruments to be executed and delivered by the City for the purposes intended; and

WHEREAS, there has been prepared and presented to the Governing Body, the form of the Indenture which is in appropriate form and is an appropriate instrument to be executed by the IDB.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee as follows:

Section 1. Terms and Definitions. All words and phrases defined in the recitals of this resolution shall have the same meaning when used in this resolution.

Section 2. Lease. The form, terms and provisions of the Lease are in all respects approved, and the Mayor and the City Recorder of the City are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Lease in the name and on behalf of the City. The Lease is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the City executing the same, upon consultation with the City Manager, the Mayor's and City Recorder's execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Lease now before this meeting, and from and after the execution and delivery of the Lease, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Lease as executed, including the payment of amounts by the City thereunder to the Trustee under the Indenture. The rent payable under the Lease shall be payable from and secured by a direct annual tax on all taxable property within the corporate limits of the City pursuant to Section 7-53-311 of the Act. Such rent shall also be payable from, but not secured by, any legally available funds of the City.

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

Section 3. Interlocal Agreement. The form, terms and provisions of the Interlocal Agreement are in all respects approved, and the Mayor and the City Recorder of the City are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Interlocal Agreement in the name and on behalf of the City. The Interlocal Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the City executing the same, upon consultation with the City Manager, the Mayor's and City Recorder's execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Interlocal Agreement now before this meeting, and from and after the execution and delivery of the Interlocal Agreement, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Interlocal Agreement as executed.

Section 4. Sublease. The form, terms and provisions of the Sublease are in all respects approved, and the Mayor and the City Recorder of the City are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Sublease in the name and on behalf of the City. The Sublease is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the City executing the same, upon consultation with the City Manager, the Mayor's and City Recorder's execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Sublease now before this meeting, and from and after the execution and delivery of the Sublease, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Sublease as executed.

Section 5. Escrow Agreement. The form, terms and provisions of the Escrow Agreement are in all respects approved, and the Mayor and the City Recorder of the City are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Escrow Agreement in the name and on behalf of the City. The Escrow Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the City executing the same, upon consultation with the City Manager, the Mayor's and City Recorder's execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Escrow Agreement now before this meeting, and from and after the execution and delivery of the Escrow Agreement, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed. The Mayor, City Manager and City Recorder, or any of them, are hereby authorized to give or cause to be given all notices necessary in connection with the refinancing of the Notes.

Section 6. Purchase Agreement. The form, terms and provisions of the Purchase Agreement are in all respects approved, and the Mayor and the City Recorder of the City are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Purchase Agreement in the name and on behalf of the City. The Purchase Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

officers of the City executing the same, upon consultation with the City Manager, the Mayor's and City Recorder's execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Purchase Agreement now before this meeting, and from and after the execution and delivery of the Purchase Agreement, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

Section 7. Recommendation of Approval of Form of Indenture and Disposition of Funds.
It is hereby recommended that authorized officers of the IDB execute and deliver the Indenture in substantially the form presented to this meeting. Funds for the acquisition, construction and equipping of the Projects shall be derived from the issuance by the IDB of the Series 2017 Bonds. The Series 2017 Bonds shall be issued pursuant to the Indenture, shall be dated, be in the form and denominations, be subject to registration, be subject to redemption, and shall mature in such amounts and bear interest all as provided in the Indenture subject to Section 8 hereof. The City hereby approves the issuance and sale of the Series 2017 Bonds upon terms consistent with this resolution and the Indenture and authorizes the completion of the form of the Lease in a manner consistent with such terms. Proceeds derived from the issuance of the Series 2017 Bonds shall be applied to pay the costs of the Projects and the costs of issuance of the Series 2017 Bonds in accordance with the Indenture and shall be distributed in accordance with the Indenture and the Interlocal Agreement.

Section 8. The Series 2017 Bonds. The aggregate principal amount of the Series 2017 Bonds shall not exceed \$60,000,000 in aggregate principal amount. The rate or rates of interest per annum on the Series 2017 Bonds shall not exceed the maximum rate permitted by applicable law, the final maturity shall not exceed the end of the thirtieth fiscal year following the fiscal year in which the Series 2017 Bonds are issued, and amortization of such principal shall commence not later than the first full fiscal year beginning not later than three years after date of issuance, which amortization shall result in approximately level payments by the City under the Lease during the amortization period. The Series 2017 Bonds shall be issued as serial and/or term bonds and shall be subject to optional redemption at the direction of the City not later than the end of the tenth fiscal year following the date of issuance of the Series 2017 Bonds at a premium of not to exceed two percent (2%) of the principal amount of the Series 2017 Bonds redeemed. The initial interest payment on the Series 2017 Bonds shall commence not later than twelve months following the date of issuance of the Series 2017 Bonds.

Section 9. Official Statement. The Mayor, City Manager and City Recorder, or any of them, are hereby authorized, empowered and directed to cooperate with the IDB in the preparation of a Preliminary Official Statement relating to the Series 2017 Bonds in substantially the form presented to this meeting, and the Mayor, City Manager, and City Recorder, or any of them, be, and they are hereby authorized, empowered and directed to execute and deliver a final Official Statement relating to the Series 2017 Bonds in the name and on behalf of the City. The Chairman, Mayor, City Manager and the City Recorder, or any of them, are authorized, on behalf of the Issuer and the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKE LAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKE LAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKE LAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Issuer and the City except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 10. Continuing Disclosure. The City hereby covenants and agrees that it will provide annual financial information and event notices, if and as required, by Rule 15c2-12 of the Securities and Exchange Commission for the Series 2017 Bonds. The Mayor is authorized to execute at the closing of the sale of the Series 2017 Bonds an agreement or certificate for the benefit of and enforceable by the owners of such Series 2017 Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement or certificate shall not be a default under the Indenture or this resolution, but any such failure shall entitle the owner or owners of any of the Series 2017 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth in said agreement or certificate, including the remedies of mandamus and specific performance.

Section 11. Levy and Pledge of Tax. The City hereby covenants and agrees, through the Governing Body, to annually levy and collect a direct annual tax upon all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay when due the annual amounts payable by the City under the Lease as and when they become due and payable and for such purposes, the City hereby pledges such tax to such payments as provided by the Act; provided, however, that the tax hereinabove described will not be required to be levied or, if levied, may be proportionately reduced to the extent of funds appropriated by the Governing Body to the payment of the amounts described above from other revenues of the City. Such tax shall be assessed, levied, collected and paid in like manner as other taxes of the City. Such tax shall not be included within any statutory or other limitation of rate or amount for the City but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law, whether public or private. Any amounts payable under the Lease falling due at any time when there are insufficient funds from the tax levy on hand shall be paid from current funds of the City.

Section 12. Additional Authorizations. From and after the execution and delivery of the documents herein approved, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary in connection with the issuance of the Series 2017 Bonds or to carry out and comply with the provisions of the Indenture, the Lease, the Sublease, the Interlocal Agreement, the Escrow Agreement, the Purchase Agreement of any other related documents, as executed, including, without limitation, the execution of federal tax certificates relating to the investment of funds and use of Series 2017 Bond proceeds and all other documents and certificates relating to the tax-exempt status of interest on the Series 2017 Bonds.

RESOLUTION 2017/12-84

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE REQUESTING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE TO ISSUE NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING; AND AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX IN CONNECTION THEREWITH

Section 13. Consent to Assignment. The City hereby consents to the assignment pursuant to the Indenture of all the IDB's right, title and interest under the Lease as security for the Series 2017 Bonds.

Section 14. Other Actions Approved. The form of the Engagement Letter presented to this meeting is hereby and the Mayor is hereby authorized to execute the Engagement Letter engaging the Bond Counsel to the City with such changes therein as he approves in consultation with the City Manager and the City Attorney. All acts and doings of the officers of the City which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2017 Bonds shall be, and the same hereby are, in all respects, approved, ratified and confirmed.

Section 15. Separability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 16. Repeal of Conflicting Resolutions and Effective Date. All orders and resolutions or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved on this 5th day of December, 2017.

Wyatt Bunker, *Mayor*

ATTEST:

Jessica Millsbaugh
City Recorder

STATE OF TENNESSEE)
)
COUNTY OF SHELBY)

I, Jessica Millspaugh, hereby certify that I am the duly qualified and acting City Recorder of the City of Lakeland, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of the meeting of the Board of Commissioners of said City held on December 5, 2017; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original relates to the matters therein set out.

WITNESS my official signature and seal of said City this ____ day of _____, 2017.

City Recorder

(Seal)

23771039.4

**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]

23856522.3

ESCROW AGREEMENT

This Escrow Agreement is made and entered into as of the ____ day of December, 2017 by and between the City of Lakeland, Tennessee (the "Municipality"), and U.S. Bank National Association, _____, _____ (the "Agent").

WITNESSETH:

WHEREAS, the Municipality has previously issued its General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015, maturing March 1, 2018 through March 1, 2028, inclusive (the "Outstanding Notes"); and

WHEREAS, the Municipality has determined to provide for the payment of the Outstanding Notes by depositing in escrow with the Agent funds as herein provided; and

WHEREAS, in order to obtain the funds to be applied as herein provided, The Industrial Development Board of the City of Lakeland, Tennessee has authorized and issued its Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds") on behalf of the Municipality; and

WHEREAS, a portion of the proceeds derived from the sale of the Series 2017 Bonds, together with certain legally available funds of the Municipality will be deposited in escrow with the Agent hereunder and applied as herein provided; and

WHEREAS, in order to create the escrow hereinabove described, provide for the deposit of a portion of said Series 2017 Bond proceeds and the application thereof, and to provide for the payment of the debt service on the Outstanding Notes, the parties hereto do hereby enter into this Agreement.

NOW, THEREFORE, the Municipality, in consideration of the foregoing and the mutual covenants herein set forth, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alien, pledge, set over and confirm, to the Agent, and to its successors hereunder, and to it and its assigns forever, in escrow, all and singular the property hereinafter described to wit:

DIVISION I

All right, title and interest of the Municipality in and to \$ _____ (consisting of \$ _____ derived from the proceeds of the sale of the Series 2017 Bonds and \$ _____ derived from legally available funds of the Municipality).

DIVISION II

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred in escrow hereunder by the Municipality or by anyone in its behalf to the Agent, which is hereby authorized to receive the same at any time to be held in escrow hereunder.

DIVISION III

All property that is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subject to the pledge hereof, by the Municipality or by anyone in its behalf, and the Agent is hereby authorized to receive the same at any time to be held in escrow hereunder.



TO HAVE AND TO HOLD, all and singular, the escrowed property, including all additional property which by the terms hereof has or may become subject to this Agreement, unto the Agent, and its successors and assigns, forever.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

SECTION 1.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

“Agent” means U.S. Bank National Association, Nashville, Tennessee, its successors and assigns.

“Agreement” means this Escrow Agreement, dated as of the date of the Series 2017 Bonds, between the Municipality and the Agent.

“Escrow Fund” shall have the meaning ascribed to it in Section 2.01 hereof.

“Escrow Property”, “escrow property” or “escrowed property” means the property, rights and interest of the Municipality that are described in Divisions I through III of this Agreement and hereinabove conveyed in escrow to the Agent.

“Municipality” means the City of Lakeland, Tennessee.

“Outstanding Notes” has the meanings in the recitals hereto.

“Series 2017 Bonds” has the meanings in the recitals hereto.

“Written Request” shall mean a request in writing signed by the Mayor of the Municipality or by any other officer or official of the Municipality duly authorized by the Municipality to act in the Mayor’s place.

SECTION 1.02. Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II

ESTABLISHMENT AND ADMINISTRATION OF FUNDS

SECTION 2.01. Creation of Escrow; Deposit of Funds. The Municipality hereby creates and establishes with the Agent a special and irrevocable escrow composed of the Escrowed Property and hereby deposits with the Agent and the Agent hereby acknowledges receipt of \$ _____ as described in Division I hereof. The monies so deposited, together with investment income therefrom, is herein referred to as the “Escrow Fund” and shall constitute a fund to be held by the Agent as a part of the Escrowed Property created, established, and governed by this Agreement.

SECTION 2.02. Investment of Funds. The monies described in Section 2.01 hereof shall be held or invested as follows:

(i) the amount of \$ _____ shall be used to purchase the Government Securities described on Exhibit B attached hereto; and

(ii) the amount of \$ _____ shall be held as cash in a non-interest-bearing account.

Except as provided in Sections 2.04 and 2.06 hereof, the investment income from the Government Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Agent shall have no power or duty to invest any monies held hereunder or to make substitutions of Government Securities held hereunder or to sell, transfer, or otherwise dispose of the Government Securities acquired hereunder except as provided herein.

SECTION 2.03. Disposition of Escrow Funds. The Agent shall without further authorization or direction from the Municipality collect the principal on the Government Securities promptly as the same shall fall due. From the Escrow Fund, to the extent that monies therein are sufficient for such purpose, the Agent shall make timely payments to the proper paying agent or agents, or their successors, for the Outstanding Notes of monies sufficient for the payment of the principal of and interest on the Outstanding Notes as the same shall become due and payable. Amounts and dates of principal and interest payments and the name and address of the paying agent with respect to the Outstanding Notes are set forth on Exhibit A. Payment on the dates and to the paying agent in accordance with Exhibit A shall constitute full performance by the Agent of its duties hereunder with respect to each respective payment. The Municipality represents and warrants that the Escrow Fund, if held, invested and disposed of by the Agent in accordance with the provisions of this Agreement, will be sufficient to make the foregoing payments. No paying agent fees, fees and expenses of the Agent, or any other costs and expenses associated with the Series 2017 Bonds or the Outstanding Notes shall be paid from the Escrow Fund, and the Municipality agrees to pay all such fees, expenses, and costs from its legally available funds as such payments become due. When the Agent has made all required payments of principal and interest on the Outstanding Notes to the paying agent as hereinabove provided, the Agent shall transfer any monies or Government Securities then held hereunder to the Municipality and this Agreement shall terminate.

SECTION 2.04. Excess Funds. Except as provided in Section 2.06 hereof, amounts held by the Agent, representing interest on the Government Securities in excess of the amount necessary to make the corresponding payment of principal and/or interest on the Outstanding Notes, shall be held by the Agent without interest and shall be applied before any other Escrow Fund monies to the payment of the next ensuing principal and/or interest payment on the Outstanding Notes. Upon retirement of all the Outstanding Notes, the Agent shall pay any excess amounts remaining in the Escrow Fund to the Municipality.

SECTION 2.05. Reports. The Escrow Agent shall deliver to the City Recorder of the Municipality a monthly report summarizing all transactions relating to the Escrow Fund; and on or before the first day of August of each year shall deliver to the City Recorder a report current as of June 30 of that year, which shall summarize all transactions relating to the Escrow Fund effected during the immediately preceding fiscal year of the Municipality and which also shall set forth all assets in the Escrow Fund as of June 30 and set forth opening and closing balances thereof for that fiscal year.

SECTION 2.06. Investment of Moneys Remaining in Escrow Fund. The Agent may invest and reinvest any monies remaining from time to time in the Escrow Fund until such time as they are needed. Such monies shall be invested in Government Obligations, as defined in the resolution of the Municipality authorizing the Outstanding Notes, maturing no later than the next interest payment date of the Outstanding Notes, or for such periods or at such interest rates as the Agent shall be directed by Written Request,

provided, however, that the Municipality shall furnish the Agent, as a condition precedent to such investment, with an opinion from nationally recognized bond counsel stating that such reinvestment of such monies will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2017 Bonds, cause the interest on the Series 2017 Bonds or the Outstanding Notes not to be excluded from gross income for Federal income tax purposes and that such investment is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds or the Outstanding Notes. Any interest income resulting from reinvestment of monies pursuant to this Section 2.06 shall be applied first to the payment of principal of and interest on the Outstanding Notes to the extent the Escrow Fund is or will be insufficient to retire the Outstanding Notes as set forth on Exhibit A and any excess shall be paid to the Municipality to be applied to the payment of the Series 2017 Bonds or the expenses of issuance thereof.

SECTION 2.07. Irrevocable Escrow Created. The deposit of monies in the Escrow Fund shall constitute an irrevocable deposit of said monies for the benefit of the holder of the Outstanding Notes except as provided herein with respect to amendments permitted under Section 4.01 hereof. All the funds and accounts created and established pursuant to this Agreement shall be and constitute escrow funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Municipality and the Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 2.08. Redemption of the Outstanding Notes. The Outstanding Notes shall be redeemed as stated on Exhibit C attached hereto. The Agent is authorized and directed, to give notice to the paying agent for the Outstanding Notes not less than forty-five days prior to the redemption date for the Outstanding Notes, to give timely notice to the holders of the Outstanding Notes as and when required by the resolution authorizing the Outstanding Notes.

ARTICLE III

CONCERNING THE AGENT

SECTION 3.01. Appointment of Agent. The Municipality hereby appoints the Agent as escrow agent under this Agreement.

SECTION 3.02. Acceptance by Agent. By execution of this Agreement, the Agent accepts the duties and obligations as escrow agent hereunder. The Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the escrow hereby created.

SECTION 3.03. Liability of Agent. The Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Municipality or any paying agent of its obligations, or to protect any of the Municipality's rights under any bond proceedings or any of the Municipality's other contracts with or franchises or privileges from any state, county, municipal or other governmental agency or with any person. The Agent shall not be liable for any act done or step taken or omitted to be taken by it, or for any mistake of fact or law, or anything which it may do or refrain from doing, except for its own negligence or willful misconduct in the performance or nonperformance of any obligation imposed upon it hereunder. The Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein or in the Outstanding Notes or in the Series 2017 Bonds or in any proceedings taken in connection therewith, but they are made solely by the Municipality. The Agent shall have no lien whatsoever upon any of the monies or investments in the Escrow Fund for the payment of fees and expenses for services rendered by the Agent under this Agreement.

The Agent shall not be liable for the accuracy of the calculations as to the sufficiency of Escrow Fund monies and Government Securities and the earnings thereon to pay the Outstanding Notes. So long

as the Agent applies any monies and the Government Securities to pay the Outstanding Notes as provided herein, and complies fully with the terms of this Agreement, the Agent shall not be liable for any deficiencies in the amounts necessary to pay the Outstanding Notes caused by such calculations. The Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement and in full compliance with the provisions hereof.

In the event of the Agent's failure to account for any of the Government Securities or monies received by it, said Government Securities or monies shall be and remain the property of the Municipality in escrow for the benefit of the holders of the Outstanding Notes, as herein provided, and if for any improper reason such Government Securities or monies are applied to purposes not provided for herein or misappropriated by the Agent, the assets of the Agent shall be impressed with a trust for the amount thereof until the required application of such funds shall be made or such funds shall be restored to the Escrow Fund.

SECTION 3.04. Permitted Acts. The Agent and its affiliates may become the owner of or may deal in the Series 2017 Bonds as fully and with the same rights as if it were not the Agent.

SECTION 3.05. Exculpation of Funds of Agent. Except as set forth in Section 3.03, none of the provisions contained in this Agreement shall require the Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

SECTION 3.06. Qualifications of Agent. There shall at all times be an Agent hereunder that shall be a corporation or banking association organized and doing business under the laws of the United States or any state, located in the State of Tennessee, authorized under the laws of its incorporation to exercise the powers herein granted, having a combined capital, surplus, and undivided profits of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus, and undivided profits of such corporation or association shall be deemed to be its combined capital, surplus, and undivided profits as set forth in its most recent report of condition as published. In case at any time the Agent shall cease to be eligible in accordance with the provisions of this section, the Agent shall resign immediately in the manner and with the effect specified herein.

SECTION 3.07. Payment to Agent. The Municipality agrees to pay the Agent, as reasonable and proper compensation under this Agreement the sum of \$_____. The Agent shall be entitled to reimbursement of all advances, counsel fees and expenses, and other costs made or incurred by the Agent in connection with its services and/or its capacity as Agent or resulting therefrom. In addition, the Municipality agrees to pay to the Agent all out-of-pocket expenses and costs of the Agent incurred by the Agent in the performance of its duties hereunder, including all publication, mailing and other expenses associated with the payment of debt service of the Outstanding Notes; provided, however, that, to the extent permitted by applicable law, the Municipality agrees to indemnify the Agent and hold it harmless against any liability which it may incur while acting in good faith in its capacity as Agent under this Agreement, including, but not limited to, any court costs and attorneys' fees, and such indemnification shall be paid from available funds of the Municipality and shall not give rise to any claim against the Escrow Fund.

SECTION 3.08. Resignation of Agent. The Agent may at any time resign by giving direct written notice to the Municipality and by giving the holder of the Outstanding Notes by first-class mail written notice of such resignation. Upon receiving such notice of resignation, the Municipality shall promptly appoint a successor escrow agent by resolution of its governing body. If no successor escrow agent shall

have been appointed and have accepted appointment within thirty (30) days after the publication of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction located in Shelby County, Tennessee, for the appointment of a successor, or any holder of the Outstanding Notes may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor meeting the qualifications set forth in Section 3.06. The Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

SECTION 3.09. Removal of Agent. In case at any time the Agent shall cease to be eligible in accordance with the provisions of Section 3.06 hereof and shall fail to resign after written request therefor by the Municipality or by any holder of the Outstanding Notes, or the Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Agent or any of its property shall be appointed, or any public officer shall take charge or control of the Agent or its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then in any such case, the Municipality may remove the Agent and appoint a successor by resolution of its governing body or any such holder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction situated in Shelby County, Tennessee for the removal of the Agent and the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, remove the Agent and appoint a successor who shall meet the qualifications set forth in Section 3.06. Unless incapable of serving, the Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

Any resignation or removal of the Agent and appointment of a successor pursuant to any of the provisions of this Agreement shall become effective upon acceptance of appointment by the successor as provided in Section 3.10 hereof.

SECTION 3.10. Acceptance by Successor. Any successor escrow agent appointed as provided in this Agreement shall execute, acknowledge and deliver to the Municipality and to its predecessor an instrument accepting such appointment hereunder and agreeing to be bound by the terms hereof, and thereupon the resignation or removal of the predecessor shall become effective and such successor, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Agent herein; but, nevertheless, on Written Request of the Municipality or the request of the successor, the predecessor shall execute and deliver an instrument transferring to such successor all rights, powers and escrow property of the predecessor. Upon request of any such successor, the Municipality shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor all such rights, powers and duties. No successor shall accept appointment as provided herein unless at the time of such acceptance such successor shall be eligible under the provisions of Section 3.06 hereof.

Any corporation into which the Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Agent shall be a party, or any corporation succeeding to the business of the Agent, shall be the successor of the Agent hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor shall be eligible under the provisions of Section 3.06 hereof.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Amendments to this Agreement. This Agreement is made for the benefit of the Municipality and the holders from time to time for the Outstanding Notes, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Agent and the Municipality; provided, however, that the Municipality and the Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Agent for the benefit of the holders of the Outstanding Notes any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Outstanding Notes or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, upon Written Request and upon compliance with the conditions hereinafter stated, the Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Obligations held hereunder and to substitute therefor direct obligations of, or obligations the principal of and interest on which are fully guaranteed by the United States of America, subject to the condition that such monies or securities held by the Agent shall be sufficient to pay principal of, premium, if any, and interest on the Outstanding Notes. The Municipality hereby covenants and agrees that it will not request the Agent to exercise any of the powers described in the preceding sentence in any manner which will cause the Series 2017 Bonds or Outstanding Notes to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code in effect on the date of such request and applicable to obligations issued on the issue date of the Series 2017 Bonds. The Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Obligations held hereunder or from other monies available. The transactions may be effected only if there shall have been submitted to the Agent: (1) an independent verification by a nationally recognized independent certified public accounting firm concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other monies or securities held for such purpose to pay when due the principal of, premium, if any, and interest on the Outstanding Notes in the manner required by the proceedings which authorized their issuance; and (2) an opinion from nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2017 Bonds, cause the interest on the Series 2017 Bonds or Outstanding Notes not to be exempt from Federal income taxation. Any surplus monies resulting from the sale, transfer, other disposition or redemption of the Government Obligations held hereunder and the substitutions therefor of direct obligations of, or obligations the principal of and interest on which is fully guaranteed by, the United States of America, shall be released from the Escrow Fund and shall be transferred to the Municipality.

SECTION 4.02. Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 4.03. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of Tennessee.

SECTION 4.04. Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by Registered or Certified Mail, postage prepaid, or sent by telegram as follows:

To the Municipality:

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

To the Agent:

U.S. Bank National Association
333 Commerce Street, Suite 800
Nashville, Tennessee 37201
Attn: _____

The Municipality and the Agent may designate in writing any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

SECTION 4.05. Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the parties shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.06. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Agent under the provisions hereof shall have been made.

SECTION 4.07. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Signatures on Following Page

IN WITNESS WHEREOF, the Municipality has caused this Agreement to be signed in its name by its Mayor and attested by its City Recorder and the official seal of the Municipality to be impressed hereon, and the Agent has caused this Agreement to be signed in its corporate name by its duly authorized officer, all as of the day and date first above written.

CITY OF LAKELAND, TENNESSEE

By: _____
Mayor

(SEAL)

City Recorder

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Title: _____

EXHIBIT A

City of Lakeland, Tennessee

Debt Service Schedule of General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015, maturing March 1, 2018 through May 1, 2028, inclusive, to the Redemption Date, With Name and Phone Number of the Paying Agent and Date and Amount of Redemption

Paying Agent: U.S. Bank National Association, Nashville, Tennessee

EXHIBIT B
Government Securities

EXHIBIT C

NOTICE OF REDEMPTION
CITY OF LAKELAND, TENNESSEE

NOTICE IS HEREBY GIVEN that the City of Lakeland, Tennessee (the "Municipality"), has elected to and does exercise its option to call and redeem on March 1, 2021 all the Municipality's Outstanding Notes (the "Outstanding Notes") as follows:

**General Obligation Capital Outlay Notes, Series 2015,
dated September 16, 2015, maturing March 1, 2022 through March 1, 2028,
inclusive**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Cusip No.</u>
March 1, 2022	\$1,575,000	5.000%	51186DAF7
March 1, 2023	1,655,000	5.000	51186DAG5
March 1, 2024	1,735,000	5.000	51186DAH3
March 1, 2025	1,820,000	5.000	51186DAJ9
March 1, 2026	1,915,000	5.000	51186DAK6
March 1, 2027	2,010,000	5.000	51186DAL4
March 1, 2028	2,110,000	5.000	51186DAM2

The owners of the above-described Outstanding Notes are hereby notified to present the same to the offices of U. S. Bank National Association as follows, where redemption shall be made at the redemption price of par, plus interest accrued to the redemption date:

**U.S. Bank
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107**

The redemption price will become due and payable on March 1, 2021, upon each such Note herein called for redemption and such Note shall not bear interest beyond March 1, 2021.

Important Notice: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed W-9 or exemption certificate or equivalent when presenting your securities.

**U.S. Bank National Association
Registration and Paying Agent**

LEASE AGREEMENT

Dated as of December 1, 2017

Between

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE**

Lessor,

and

CITY OF LAKELAND, TENNESSEE,

Lessee.



TABLE OF CONTENTS

(This Table of Contents is not a part of this
Lease Agreement, but is only for
convenience of reference)

Section	Page
ARTICLE I DEFINITIONS	2
Section 1.01 Definitions	2
ARTICLE II DEMISE	5
Section 2.01 Demise of the Leased Property	5
ARTICLE III TERM OF THE LEASE	5
Section 3.01 Commencement and Duration of the Term of the Lease	5
Section 3.02 Expiration or Termination of the Term of the Lease	5
ARTICLE IV LEASE PAYMENTS	5
Section 4.01 Lease Payments and Pledge	5
Section 4.02 Consideration	6
Section 4.03 Base Rentals Assigned; Unconditional Obligation	7
Section 4.04 Payment	7
Section 4.05 Credit on Base Rentals	7
Section 4.06 Advances by the Trustee	7
Section 4.07 Rebate Covenants of the City	8
Section 4.08 Lease Not to Constitute "True" Lease	8
ARTICLE V CONSTRUCTION AND FINANCING OF THE LEASED PROPERTY	8
Section 5.01 Construction Fund and Construction of the Projects	8
Section 5.02 Financing of the Leased Property	8
Section 5.03 Disbursements from the Construction Fund	9
Section 5.04 Investment of Bond Fund, Costs of Issuance Fund, and Construction Fund	9
Section 5.05 Special Arbitrage Certifications	10
ARTICLE VI MAINTENANCE AND OPERATION	10
Section 6.01 Maintenance and Operation	10
Section 6.02 Care of the Leased Property	10
Section 6.03 Loss and Damage	11
ARTICLE VII INSURANCE PROVISIONS	11
Section 7.01 Insurance	11
ARTICLE VIII TAXES	11
Section 8.01 Taxes	11
ARTICLE IX ALTERATIONS, ADDITIONS AND IMPROVEMENTS	11
Section 9.01 Alterations, Additions and Improvements to the Leased Property	11
ARTICLE X DAMAGE OR DESTRUCTION; CONDEMNATION	11
Section 10.01 Damage, Destruction and Condemnation	11

ARTICLE XI ASSIGNMENTS	12
Section 11.01 Assignments by City.....	12
Section 11.02 Pledge and Attornment.....	12
ARTICLE XII REPRESENTATIONS, COVENANTS AND WARRANTIES	13
Section 12.01 Representation, Covenants and Warranties of the City	13
Section 12.02 Special Covenants of the City.....	14
Section 12.03 Representations, Covenants and Warranties of the IDB.....	15
Section 12.04 Payment of Lease Payments	16
ARTICLE XIII AMENDMENTS, CHANGES AND MODIFICATIONS	16
Section 13.01 Amendments, Changes and Modifications.	16
Section 13.02 Amendments by IDB and City Only	17
ARTICLE XIV CITY’S OPTION TO PURCHASE THE LEASED PROPERTY; VESTING OF TITLE; PARTIAL PREPAYMENT	17
Section 14.01 Option to Purchase the Leased Property.....	17
Section 14.02 Vesting of Title.....	18
Section 14.03 Partial Prepayment.....	18
ARTICLE XV RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT	18
Section 15.01 Right of Entry	18
Section 15.02 Liens	18
Section 15.03 Covenant of Quiet Enjoyment	19
ARTICLE XVI EVENTS OF DEFAULT; REMEDIES	19
Section 16.01 Events of Default Defined	19
Section 16.02 Remedies on Default.....	19
Section 16.03 Remedies Cumulative.....	20
Section 16.04 Waiver	20
Section 16.05 Curing City’s Breach.....	20
ARTICLE XVII MISCELLANEOUS	20
Section 17.01 Notices.....	20
Section 17.02 Governing Law	21
Section 17.03 City’s Obligation to Operate.....	21
Section 17.04 Execution in Counterparts	21
Section 17.05 Severability.....	21
Section 17.06 Successors and Assigns; Third Party Beneficiaries.....	21
Section 17.07 Limitation of Warranty	21
Section 17.08 Captions and Headings	22
Section 17.09 “Net Lease”.....	22
Section 17.10 Provision for Payment	22
Section 17.11 No Merger.....	22
Section 17.12 Memorandum of Lease.....	22
Section 17.13 Indemnification and Non-Liability of IDB.....	22
Exhibit A	Legal Description of the Site
Exhibit B	Completion Certificate
Schedule 1	Schedule of Base Rental Payments

LEASE AGREEMENT

THIS LEASE AGREEMENT (the or this "Lease"), dated as of December 1, 2017, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE (the "Lessor" or "IDB" or "Issuer"), and the CITY OF LAKELAND, TENNESSEE (the "Lessee" or "City");

WITNESSETH:

WHEREAS, the IDB has been organized for the purpose, among others, to finance, own, lease and/or dispose of projects in accordance with the procedures and subject to the limitations of Title 7, Chapter 53, Tennessee Code Annotated, as amended (the "Act"), and is authorized in accordance with the Act to issue bonds to finance such projects payable out of the revenues and receipts derived from such projects; 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, as more particularly described in Exhibit A attached hereto, 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 the construction and equipping of 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"), to provide funds for the purposes described above and (b) to lease the Projects and the Site (collectively, the "Leased Property") to the City in consideration of certain Base Rentals (as defined herein) and Additional Rentals (as defined herein) to be paid as hereinafter described which will be sufficient to pay the principal of, and premium, if any, and interest on the Series 2017 Bonds (described below), any Additional Bonds (as defined in the Indenture) and certain other costs and expenses as hereinafter described; and

WHEREAS, the IDB is authorized by applicable law, including Section 7-53-302(5) of the Act, to enter into any lease of any buildings, structures and facilities, including the site thereof, suitable for use by the City as schools, and all buildings, structures and facilities deemed necessary or useful in connection therewith; and

WHEREAS, the IDB is willing to lease the Leased Property to the City, and the City desires to lease purchase the same from the IDB, upon the terms and conditions and for the purposes set forth herein; and

WHEREAS, the City is authorized by applicable law, including particularly Section 7-53-311, Tennessee Code Annotated, as amended, and by resolution adopted by the City Commission on December 5, 2017 (the "City Resolution"), to enter into this Lease and to levy and collect a Direct Tax (as defined herein) sufficient to pay the Lease Payments (as defined herein) payable under this Lease, and the City

desires to pledge the Direct Tax levied by the City Resolution on all taxable property within the corporate limits of the City to pay such Lease Payments; and

WHEREAS, the City, the IDB and the BOE will enter into an interlocal cooperation agreement pursuant to Sections 12-9-101 et seq., Tennessee Code Annotated, to designate the BOE as the entity responsible for the oversight and management of the development, acquisition and construction of the Projects; 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 at the conclusion of the Lease and the Sublease, title to the Leased Property will be vested in the BOE;

NOW THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Lease. In addition, the following words and phrases shall have the following meanings for all purposes of this Lease:

"Act" means Section 7-53-101, et seq., Tennessee Code Annotated, as amended.

"Additional Rentals" means the amount or amounts payable by the City pursuant to Section 4.01(d) hereof.

"Authorized City Representative" means the Mayor, the City Manager and the City Recorder, or any of them, and such other persons designated by written certificate signed by the Mayor and furnished to the Trustee, the BOE and the IDB.

"Base Rental Payment Date" means the twenty-fifth day of February and August of each year during the term of the Lease.

"Base Rentals" means the amount or amounts (comprising a principal component and an interest component) payable by the City pursuant to Section 4.01(a) hereof in consideration of the use and enjoyment of the Leased Property during the term of this Lease, on the dates and in the amounts specified in Schedule 1 attached hereto and as such Schedule 1 may be revised hereafter in accordance with Section 6.06 of the Indenture in the event of a partial redemption of Bonds or the issuance of Additional Bonds as provided in the Indenture, the Base Rentals are to be recalculated by the Trustee and provided to and binding upon the City as more fully set forth in Section 4.01(a) hereof and Section 6.06 of the Indenture.

"Bond Counsel" means an attorney at law or a firm of attorneys (which is acceptable to the City) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Payment Date" means any date on which principal of or interest on the Bonds is due as set forth in the Indenture or any indenture supplemental thereto authorizing Additional Bonds.

“Bonds” means the Series 2017 Bonds and any Additional Bonds issued pursuant to the Indenture.

“City” or “Lessee” means the City of Lakeland, Tennessee, a political subdivision duly organized and existing under the laws of the State of Tennessee, in its capacity as lessee hereunder, and any public body or public corporation succeeding to its rights and obligations under this Lease. Any reference herein to the “governing body” of the City shall refer to the City Commission, and to any successor governing body as authorized by applicable law.

“City Commission” means the Board of Commissioners of the City or any successor to its powers, duties or obligations under applicable law.

“City Resolution” means the resolution adopted by the City Commission on December 5, 2017 approving the Lease, the Interlocal Agreement, the Sublease and the Escrow Agreement, requesting the issuance of the Series 2017 Bonds, and levying the direct annual tax on all taxable property within the corporate limits of the City pursuant to Section 7-53-311, Tennessee Code Annotated, as amended.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“Direct Tax” means the direct annual tax levied on all taxable property within the corporate limits of the City by the City Resolution authorized by Section 7-53-311 of the Act and pledged hereunder to the payment of the Lease Payments.

“Event of Default” means one or more of the events described in Section 16.01 hereof.

“Escrow Agreement” means the Escrow Agreement, dated as of the date of delivery of the Series 2017 Bonds, between the City and U.S. Bank National Association, as escrow agent, pursuant to which proceeds of the Series 2017 Bonds will be deposited in payment for the Site and the Middle School Project and applied to the payment of the City’s outstanding General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015.

“Fiscal Year” means the twelve-month period used from time to time by the City for its financial accounting purposes with respect to the Leased Property, such period currently extending from July 1 to the next succeeding June 30.

“Indenture” means the Indenture of Trust, dated as of December 1, 2017 between the Issuer and the Trustee, and any amendments and supplements thereto as therein provided.

“Interlocal Agreement” means the interlocal cooperation agreement, dated as of December __, 2017, entered into among the IDB, the City and the BOE designating the BOE as agent of the IDB for the purpose of overseeing and managing the development, acquisition, construction, and equipping of the Projects.

“Lease” means this Lease Agreement, including Exhibit A and Schedule I attached hereto and incorporated herein, and any amendments and supplements hereto as herein and in the Indenture provided.

“Lease Payments” means the Base Rentals and Additional Rentals required to be made by the City under this Lease.

“Leased Property” means the Projects and the Site, collectively leased to the City pursuant to this Lease.

“Lessee or City” means the City.

“Lessor” or “IDB” means The Industrial Development Board of the City of Lakeland, Tennessee, a public corporation duly organized and existing under the laws of the State of Tennessee for the purpose, among others, of financing, owning, leasing and/or disposing of properties such as the Projects in accordance with the Act, and any successor to the duties or functions of the IDB.

“Optional Payment Date” means the Business Day which the City may elect pursuant to Section 14.01 hereof to purchase the Leased Property for the then applicable Option Price.

“Option Price” means the price (to be calculated by the Trustee sufficient to optionally redeem all outstanding Bonds at par, plus redemption premium, if any, plus accrued interest, on an applicable Optional Redemption Date in accordance with Article VI of the Indenture and Section 14.01 hereof, together with certain other amounts payable pursuant to Section 14.01 hereof and all amounts due and payable under the Indenture) at which the City may elect to purchase the Leased Property on the Optional Payment Date designated by the City pursuant to Section 14.01 hereof prior to the scheduled payment of all sums to be paid for the Leased Property. In the event of a partial redemption of Bonds or the issuance of Additional Bonds as provided in the Indenture, the Option Price is required to be recalculated by the Trustee and provided to and binding upon the City as more fully set forth in Section 6.06 of the Indenture and Section 4.01 hereof.

“Optional Redemption Date” means any date on which the City directs the Issuer to redeem Bonds pursuant to Section 6.02 of the Indenture, including any such date as set forth in the Supplemental Indenture in connection with the issuance of Additional Bonds.

“Projects” means acquisition of a middle school and construction and equipping of a high school on the Site to be subleased to the BOE, including improvements and equipment (including, without limitation, equipment and other personal property currently owned, or hereinafter acquired, by the City or the BOE and installed or placed by the City or the BOE in or on the Leased Property) located on the Site and to be financed with the proceeds from the sale of the Bonds, and any improvements, enlargements, expansions, modifications, alterations or changes in, on or to the foregoing, or repairs, restorations or replacements thereto or thereof.

“Rebate Amount” means 100% of the amount owed to the United States under Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations issued thereunder with respect to the Bonds.

“Rebate Analyst” means an independent, certified public accountant, accountant, financial analyst, Bond Counsel, or any firm of the foregoing, or any financial institution which is experienced in making the rebate calculations required to be made for the purposes of Section 4.07, and which in each case is retained by the City to make such calculations.

“Rebate Computation Date” means a date not more than five years from the date of issuance of a Series of Bonds and each five years thereafter until the Rebate Final Computation Date.

“Rebate Final Computation Date” means not less than sixty (60) days following the final payment of the related Series of Bonds.

“Series 2017 Bonds” means the \$ _____ Public Facility Bonds, Series 2017 (City of Lakeland School Project) in book-entry form, issued by the IDB.

“Site” means that certain real property situated in the City, as more particularly described on Exhibit A attached hereto.

“Sublease” means the Sublease Agreement, dated as of the date hereof, between the City and the BOE of the Leased Property.

“Term of the Lease” or “term of this Lease” shall mean the period identified in Section 3.01 hereof.

“Trustee” shall mean U.S. Bank National Association, Nashville, Tennessee, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

ARTICLE II

DEMISE

Section 2.01 Demise of the Leased Property. The IDB does hereby rent, lease and demise to the City, and the City does hereby take, accept and lease from the IDB, the Leased Property on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease.

ARTICLE III

TERM OF THE LEASE

Section 3.01 Commencement and Duration of the Term of the Lease. The initial term of this Lease shall commence as of the date of issuance of the Series 2017 Bonds, and shall expire at midnight on March 1, 20__, unless terminated earlier or extended as provided in Section 3.02 hereof.

Section 3.02 Expiration or Termination of the Term of the Lease. The term of this Lease will expire or terminate, as appropriate, upon the first to occur of any of the following events: (a) discharge of the Indenture as therein provided and discharge of all obligations of the City under this Lease; or (b) midnight on the date the last Bond Payment Date is due or such later date as all Lease Payments required hereunder shall be paid. The IDB shall convey to the City its interest in and to the Leased Property effective as of the expiration or earlier termination of this Lease pursuant to the terms and provisions of Article XIV hereof.

ARTICLE IV

LEASE PAYMENTS

Section 4.01 Lease Payments and Pledge.

(a) The City shall pay the Base Rentals and the Additional Rentals for use of the Leased Property in the amounts, at the times and in the manner set forth herein, said amounts constituting in the aggregate the total of the annual Lease Payments payable under this Lease. The City shall levy and collect the Direct Tax and shall pay Lease Payments from proceeds of the Direct Tax, which is hereby pledged to the payment of all Lease Payments hereunder. Lease Payments are additionally payable from, but not secured by, any other legally available funds of the City.

(b) Base Rentals shall be paid as follows:

(i) an amount equal to the "principal component" shall be paid on the twenty-fifth (25th) day of February of each year as indicated in the Schedule of Base Rental Payments attached as Schedule 1 hereto; and

(ii) an amount equal to the "interest component" shall be paid on the twenty-fifth (25th) day of February and August of each year as indicated in the Schedule of Base Rental Payments attached as Schedule 1 hereto.

(c) The City may prepay Base Rentals in whole or in part in accordance with the Indenture and this Lease. The City understands that the Base Rental Payment Schedule attached as Schedule 1 hereto may be revised from time to time based on the prepayment of Base Rentals and redemption of Bonds or the issuance of any Additional Bonds allowed under Section 2.13 of the Indenture. The City hereby agrees to pay the Base Rentals in accordance with the Base Rental Payment Schedule attached as Schedule 1 hereto as it may be revised from time to time by such amounts as are necessary to reflect the redemption of certain Bonds or to pay the principal and interest on Additional Bonds.

(d) In addition to the Base Rentals, the City shall pay to the Trustee when due as notified in writing by the Trustee, Additional Rentals equal to the sum of the following:

(i) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture;

(ii) the reasonable fees and charges of the Trustee and any Registration Agent appointed under the Indenture with respect to the Bonds for acting as trustee, paying agent and registrar as provided in the Indenture, including but not limited to those payable pursuant to Section 10.04 of the Indenture;

(iii) the reasonable fees and charges of the Trustee for extraordinary services rendered by it and extraordinary expenses incurred by it as Trustee under the Indenture;

(iv) the reasonable fees and out-of-pocket expenses of the IDB relating to the Leased Property not otherwise required to be paid by the City under the terms of this Lease, including but not limited to all costs of legal, accounting and auditing services;

(v) the costs of taxes and governmental charges and assessments as required under Article VIII hereof;

(vi) any amount of interest required to be paid on any of the foregoing items as a result of the City's failure to pay any such items when due; and

(vii) any rebate payments owed on the Series 2017 Bonds and any Additional Bonds pursuant to Section 148(f) of the Code and related regulations.

Section 4.02 Consideration. The payments of Base Rentals and Additional Rentals hereunder during the term of the Lease shall constitute the total Lease Payments which are payable for the term of the Lease and shall be paid by the City for and in consideration of the right of use and occupancy of the Leased Property and the continued quiet use and enjoyment of the Leased Property for and during the term of the Lease. The parties hereto have agreed and determined that such total Lease Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the costs of financing the Leased Property, the uses and purposes which will be served by the Leased Property and

the benefits therefrom which will accrue to the parties to the Lease and the general public by reason of the Leased Property.

Section 4.03 Base Rentals Assigned; Unconditional Obligation. It is understood and agreed that all Base Rentals payable under Section 4.01(a) hereof by the City are assigned to the Trustee pursuant to the Indenture. The City consents to such assignment, and hereby agrees that its obligation to pay the Base Rentals from Lease Payments shall be absolute and unconditional and, except as expressly herein provided, shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the IDB of any obligation to the City, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the City by the IDB. Notwithstanding any dispute between the City and the IDB hereunder, the City shall pay all Base Rentals and Additional Rentals when due and shall not withhold payment of any Base Rentals and Additional Rentals pending the final resolution of such dispute.

Section 4.04 Payment. Lease Payments shall be paid in lawful money of the United States of America, in funds which shall be immediately available on the date on which they are due. Lease Payments shall be paid at the designated corporate trust office of the Trustee, or at such other place or places as may be set forth in the Indenture.

Section 4.05 Credit on Base Rentals.

(a) There shall be credited against Base Rentals any amount held in the Bond Fund on each Base Rental Payment Date, including the portion of the proceeds of sale of the Bonds, if any, deposited to the Bond Fund as accrued interest and as capitalized interest and earnings derived from the investment of funds held in the Bond Fund available for such purpose.

(b) If at any time the aggregate moneys available under the Indenture for payment of the principal of, and premium, if any, and interest on, the Bonds and all other expenses to be paid by the City as Additional Rentals under the Indenture shall be sufficient to pay in accordance with the provisions of the Indenture all of the Bonds at the time outstanding and to pay all such expenses (including the fees and charges of the Trustee and any paying agent and registrar and the expenses of the IDB due or to become due through the date on which the last of the Bonds is to be paid or redeemed), and to pay any other monetary obligations of the City hereunder, and if the City is not at the time otherwise in default on any obligation hereunder, the City shall be entitled to use and occupy the Leased Property from the date on which such aggregate moneys are deposited with the Trustee during the remainder of the term of this Lease without further payment of any Lease Payments during that interval and any moneys in the funds and accounts created by the Indenture which are in excess of the amounts required to pay the Bonds in accordance with the provisions of the Indenture and to pay all costs, fees, charges and expenses shall be refunded to the City upon payment (or provision for payment) in full of the Bonds as provided in the Indenture, except as otherwise required by the Indenture and this Lease shall terminate as provided in Article XIV hereof. If Bonds are to be paid prior to maturity, this Section 4.05(b) is subject to the condition that said Bonds shall have been properly called for redemption under the Indenture and the required notice of redemption shall have been given or provision for the giving of such notice shall have been made to the satisfaction of the Trustee, and the necessary moneys or Government Obligations (as such term is defined in Article VII of the Indenture) properly deposited, all as required by the Indenture.

Section 4.06 Advances by the Trustee. If the City fails to pay any Additional Rentals required by this Lease, the Trustee may (but shall be under no obligation to) pay such Additional Rentals, which Additional Rentals, together with interest thereon at the lesser of the prime rate as reported in The Wall Street Journal or the maximum rate permitted by law, are to be reimbursed to the Trustee by the City upon demand therefor.

Section 4.07 Rebate Covenants of the City.

(a) The City shall retain a Rebate Analyst to determine the Rebate Amount as of each of the dates set forth in (b) and (c) below.

(b) The City shall deliver to the Trustee the determination of the Rebate Amount in writing signed by an Authorized City Representative not later than fifty-eight (58) days after each Rebate Computation Date, provided, that if such fifty-eighth day after any Rebate Computation Date is not a Business Day, then not later than three (3) Business Days prior to such fifty-eighth day, and provided further that if all proceeds in the Construction Fund have been spent prior to the preceding five year period, then no Rebate Analyst shall be required and the City shall so certify to the Trustee.

(c) Not later than fifty-eight (58) days following each Rebate Computation Date, the City shall deposit with the Trustee for deposit into the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States with respect to such Rebate Computation Date.

(d) Not later than fifty-eight (58) days following the Final Rebate Computation Date, the City shall deposit with the Trustee for deposit into the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States as of the Final Rebate Computation Date.

(e) The City shall not make, or permit to be made, any payment, or agreement to pay, to a party other than the United States, any amount that is required to be paid to the United States by entering into a transaction that reduces the amount required to be paid pursuant to Section 148(f) of the Code because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Series 2017 Bonds or Additional Bonds not been relevant to either party (the failure to invest, or direct investment of, moneys that could be invested shall constitute an agreement to pay that results in such a smaller profit for the purposes of this subsection).

Section 4.08 Lease Not to Constitute "True" Lease. It is the intention of the parties hereto that this Lease not constitute a "true" lease for federal income tax purposes and, therefore, it is the intention of the parties hereto that the City be considered the owner of the Leased Property for federal income tax purposes.

ARTICLE V

CONSTRUCTION AND FINANCING OF THE LEASED PROPERTY

Section 5.01 Construction Fund and Construction of the Projects.

(a) Funds on deposit in the Construction Fund established under the Indenture shall be expended solely as provided in the Indenture for Costs of Construction.

(b) The IDB, the BOE and the City have entered into the Interlocal Agreement relating to the construction, acquisition and equipping of the Projects on the Site.

Section 5.02 Financing of the Leased Property.

(a) For the purpose of acquiring, constructing, and equipping the Projects and all costs and expenses incidental thereto, and paying all or a portion of the Costs of Issuance, the IDB shall cause the Series 2017 Bonds to be issued pursuant to the Indenture and shall cause the proceeds from the sale thereof to be deposited with the Trustee as follows and applied as provided in the Indenture:

(i) into the Bond Fund, an amount equal to the accrued interest, if any, on the Series 2017 Bonds and capitalized interest, if any;

(ii) into the Costs of Issuance Fund, an amount equal to the Costs of Issuance for the Series 2017 Bonds;

(iii) to the escrow agent under the Escrow Agreement, the amount necessary to acquire the Site and the Middle School Project to be applied to the payment of the City's outstanding General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015.

(iv) into the Construction Fund, the balance of the proceeds to be received from the sale of the Series 2017 Bonds.

(b) The Issuer may from time to time authorize the issuance of Additional Bonds in any amount upon the terms and conditions provided in Section 2.13 of the Indenture. Additional Bonds shall be issued to provide funds to pay one or more of the following: (i) the costs of completing the Projects; (ii) the costs of making such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes in, on or to the Leased Property as the City may deem necessary or desirable and as will not impair the excludability from gross income of interest on the Bonds for federal income tax purposes including any repairing, restoring, modifying, improving or replacing pursuant to Section 10.01 hereof to the extent that such costs exceed the insurance or condemnation proceeds out of which such costs are to be paid pursuant to Section 10.01 hereof; (iii) to refund all or a portion of a Series of Bonds; (iv) the costs of the issuance and sale of the Additional Bonds; (v) interest during the estimated period of acquisition and construction; and (vi) any combination of such purposes. Any such improvements shall become a part of the Leased Property and shall be included under this Lease to the same extent as if originally included hereunder.

(c) If the City is not in default hereunder, the IDB (in its capacity as Issuer under the Indenture) will, on request of the City, from time to time, use its best efforts to issue the amount of Additional Bonds specified by the City for the purpose of constructing and equipping the Projects, renovating the Projects or acquiring additional property in connection with the Projects; including Additional Bonds issued to refinance any Outstanding Bonds, provided that the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the City Commission prior to the issuance thereof; and provided further that the City and the IDB shall have entered into an amendment to this Lease to extend the term of the Lease to be concurrent with the final maturity of the Additional Bonds, if necessary, and to provide for additional Base Rentals in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due, the City shall have agreed to annually levy and collect a direct annual tax upon all taxable property in the City pursuant to Section 7-53-311 of the Act, in the amount of such additional Base Rentals and pledge such tax therefor, and the IDB and the City shall have otherwise complied with the provisions of Section 2.13 of the Indenture with respect to the issuance of such Additional Bonds.

Section 5.03 Disbursements from the Construction Fund. The IDB has, in the Indenture, authorized and directed the Trustee to make payments from the Construction Fund to pay the Costs of Construction.

Section 5.04 Investment of Bond Fund, Costs of Issuance Fund, and Construction Fund. Any moneys held as a part of the Bond Fund, the Costs of Issuance Fund and the Construction Fund or any other fund or account created pursuant to the Indenture shall be invested or reinvested by the Trustee from time to time, but only at the request of and as directed by an Authorized City Representative or otherwise, in

accordance with the provisions of Article V of the Indenture; provided, however, that no investment shall be made of any funds which would violate the covenant set forth in Section 5.05 hereof.

Section 5.05 Special Arbitrage Certifications. The IDB and the City jointly and severally certify and covenant to each other and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, (a) moneys on deposit in any fund or account in connection with or relating to either the Lease or the Bonds, whether or not such moneys were derived from the proceeds of sale of the Bonds or from any other sources, including payments of Lease Payments which are payable under the Lease, will not be used in a manner which will cause either the Lease or the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code and any applicable regulations promulgated or proposed thereunder as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised, and (b) the IDB and the City will execute, and comply with the covenants and conditions of, the Tax Certificate (as defined in the Indenture).

ARTICLE VI

MAINTENANCE AND OPERATION

Section 6.01 Maintenance and Operation. Subject to the Sublease, the City shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The City shall provide or shall cause to be provided, all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services. It is understood and agreed that in consideration of the payment by the City of the Lease Payments herein provided for, the IDB is only obligated to provide the Leased Property in the manner and to the extent herein provided, and neither the IDB, the Trustee nor any owner of any Bond shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Property during the term of the Lease.

Section 6.02 Care of the Leased Property.

(a) The City shall take good care of the Leased Property ordinary wear and tear excepted. The IDB shall not pay for any damage to the Leased Property, its fixtures and appurtenances due to any act or omission or cause whatsoever.

(b) There shall be no allowance to the City for a diminution in or abatement of Lease Payments and no liability on the part of the IDB by reason of inconvenience, annoyance or injury to government operations arising or resulting from the IDB, the City or others making repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to fixtures, appurtenances or equipment thereof, and no liability upon the IDB or allowance for a diminution in or abatement of Lease Payments for failure of the IDB or others to make any repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to the fixtures, appurtenances or equipment thereof. The foregoing shall not be construed to mean that the IDB has any such obligations.

(c) The City's taking possession of the Leased Property or any portion thereof shall be conclusive evidence against the City that the Leased Property or such portion thereof were in good order and satisfactory condition when the City took possession thereof and that all work to be done on the Leased Property or such portion thereof pursuant to the terms hereof, if any, has been completed to the City's satisfaction; provided, however, that the City's taking possession as herein provided shall be without prejudice to any rights against third parties which exist at the date of taking such possession or which may subsequently come into being. No promise of the IDB to alter, remove, improve or clean the Leased

Property and no representation respecting the condition of the Leased Property has been made by the IDB to the City.

Section 6.03 Loss and Damage. All of the City's personal property of any kind that may be on or about the Leased Property or placed in the custody of any of the City's employees or agents shall be held at the sole risk of the City, and neither the IDB, the Trustee nor any Bondowner shall have any liability to the City for any theft or loss thereof or damage thereto from any cause whatsoever.

ARTICLE VII

INSURANCE PROVISIONS

Section 7.01 Insurance. The City may maintain or cause to be maintained, insurance on the Leased Property of a kind and in an amount which would normally be carried by the City for property such as the Lease Property, provided the City shall not be required to insure beyond the limits of immunity provided by Tennessee law to the IDB, if any.

ARTICLE VIII

TAXES

Section 8.01 Taxes. The IDB and the City understand and agree that the Leased Property constitutes public property free and exempt from all taxation in accordance with applicable law; provided, however, that the IDB agrees to cooperate with the City, upon written request by the City, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The City agrees to reimburse the IDB from Additional Rentals for any and all costs and expenses thus incurred by the IDB and if the Leased Property shall be determined to be subject to such taxes, assessments or charges, then an Additional Rental shall be paid by the City equal to the amount of all such taxes, assessments and governmental charges then due.

ARTICLE IX

ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Section 9.01 Alterations, Additions and Improvements to the Leased Property. The City shall have the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; provided, however, that no such alteration, addition or improvement shall materially alter or change the character or use of the Leased Property or impair the excludability from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE X

DAMAGE OR DESTRUCTION; CONDEMNATION

Section 10.01 Damage, Destruction and Condemnation. If, during the term of the Lease, (i) the Leased Property is destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the City, the IDB or the Trustee in the Leased Property or any portion thereof is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under

governmental authority; or (iii) a material defect in Construction of the Leased Property becomes apparent; or (iv) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title; then the City shall continue to pay Base Rentals and Additional Rentals, regardless of whether the Projects have been completed and repair or replacement of the Projects is in the sole discretion of the City.

ARTICLE XI

ASSIGNMENTS

Section 11.01 Assignments by City.

(a) Neither this Lease nor any interest of the City or IDB herein shall, at any time after the date hereof, without the prior written consent of the Trustee, be mortgaged, pledged, assigned or transferred by the City or IDB by voluntary act or by operation of law, or otherwise, except pursuant to the Sublease and as specifically provided herein. The City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or subletting which may be made with such consent.

(b) The City shall have the further right, without notice to or consent of the IDB, the Trustee or any owner of Bonds and as except as limited by the Sublease, to further sublease or permit the use of any specified portion of the Leased Property only to or for the benefit of any other public corporation or public entity, the State of Tennessee or any other entities permitted as sublessees of a project now or hereafter permitted or authorized by the Act, but nothing herein contained shall be construed to relieve the City from its obligation to pay Lease Payments as provided in this Lease or relieve the City from any other obligations contained herein; provided, however, that no such assignment or sublease may be made if the use of the Leased Property by the assignee or sublessee will affect the validity of this Lease, change the character, or use of the Leased Property to ones not then permitted by applicable law or impair the excludability from gross income of interest on the Bonds for federal income tax purposes, as evidenced by an opinion of Bond Counsel delivered to the Trustee. Any such assignment or sublease shall require the assignee or sublessee to execute an acceptable attornment agreement with the City and the Trustee and to assume all of the terms, covenants and agreements of the City hereunder to the extent of the portion of the Leased Property so assigned or sublet; provided, however, that where portions of the Leased Property have been so sublet, the City shall continue to be responsible for the payment of Lease Payments due under this Lease. The IDB may execute any and all instruments necessary and proper in connection therewith.

(c) The IDB, simultaneously with the execution of this Lease, has assigned this Lease and all Base Rentals and certain other sums due and to become due hereunder to the Trustee under the Indenture. Upon the execution and delivery of the Indenture, the IDB therein gives written notice thereof to the City, and all Base Rentals and all other sums due and to become due hereunder shall be paid to the Trustee when due and payable. Neither any purchaser of any of the Bonds nor the Trustee shall be bound or obligated to perform or see to the performance of any duty, covenant, condition or warranty (express or implied) made by the IDB or required to be observed or performed by the IDB under any of the terms hereof.

Section 11.02 Pledge and Attornment. This Lease shall at all times be subject to the lien of the Indenture and to all the terms, conditions and provisions thereof, whether now existing or hereafter created and without the need for any further act or agreement by the City; provided, however, that this Lease shall remain in full force and effect notwithstanding such pledge or the IDB's default in connection with the said lien, and the City shall not be disturbed by the IDB or the Trustee in its possession of the Leased Property during the term of the Lease or in the enjoyment of its rights hereunder as long as no Event of Default by the City hereunder has occurred. The City shall not pledge its interests hereunder or in the Leased Property

to any other lien or encumbrance without the prior written consent of the Trustee and only as permitted herein. Any such unauthorized pledge by the City shall be void and of no force or effect whatsoever.

ARTICLE XII

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 12.01 Representation, Covenants and Warranties of the City. The City hereby represents, covenants and warrants for the benefit of the IDB and the owners from time to time of the Bonds as follows:

(a) The City has the power and authority to enter into the transactions contemplated by this Lease to which it is a party and to carry out its obligations hereunder and thereunder. The City has been duly authorized to execute and deliver this Lease, and agrees that it will do or cause to be done all things necessary to preserve and keep this Lease (to the extent herein provided and subject to the limitations expressed herein) in full force and effect.

(b) The City is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents such City from entering into this Lease or performing any of its obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the City, nor to the best knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the City of this Lease or any such other agreement or instrument or in connection with the carrying out by the City of its obligations hereunder or thereunder have been obtained.

(d) No officer of the City, or any member of the City Commission, has any direct or indirect pecuniary interest in, or will receive or has agreed to receive any compensation with respect to, any contract, lease, purchase, sale or employment made or to be made in connection with the proposed transactions contemplated by the performance of this Lease or any other agreement contemplated in connection with any of the foregoing or in connection with the issuance of the Bonds.

(e) The payment of the Lease Payments hereunder or any portion thereof is not directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used for a private business use, all within the meaning of Section 141(b) of the Code.

(f) The entering into and performance of this Lease or any other document or agreement contemplated hereby to which the City is or is to be a party will not violate any judgment, order, law or regulation applicable to the City or result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the City is a party or by which it or its assets may be bound, except as herein or in the Indenture provided.

(g) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease.

(h) The City shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus and agencies pertaining to the Leased Property or the use and occupancy thereof.

(i) The City has obtained and examined, or will obtain and examine in a timely fashion as is necessary to diligently complete the acquisition, construction and equipping of the Projects, all conditions, covenants, restrictions, easements, reservations, rights, rights-of-way and all legal requirements, certificates of need, use permits, occupancy permits, building permits and other requirements affecting or relating to the Projects, and the Projects do not and will not violate any of the same.

(j) Until the expiration or termination of the City's rights hereunder, the City shall (i) permit the agents or representatives of the Trustee upon two (2) Business Days' notice to have access to and to examine its properties, books and records relating to the Pledged Revenues and furnish or cause to be furnished at the City's expense to the Trustee the following:

(i) As soon as possible, and in any event not later than three (3) days after the occurrence of any Event of Default, a statement of an Authorized City Representative setting forth the details of such Event of Default and the action which the City proposes to take with respect thereto; and

(ii) Such other information relating to the affairs of the City with respect to the Pledged Revenue as the Trustee reasonably may request from time to time.

(k) Except as may be required of the Trustee under the Indenture, record, register and file all such notices, statements and other documents and take such other steps, including without limitation any amendment to the Lease and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the IDB and the Trustee with respect to all security furnished under this Lease or intended to be so furnished and to preserve the excludability from gross income of interest on the Bonds for federal income tax purposes, in each case in such form and at such times as shall be satisfactory to the IDB and the Trustee, and pay all fees and expenses (including reasonable attorneys' fees) incident to compliance with this paragraph.

(l) Until the expiration or termination of the City's rights hereunder, unless the Trustee shall otherwise consent in writing, the City agrees not to enter into or consent to any amendment of any of the documents contemplated hereby, except as may be required in the opinion of Bond Counsel to preserve the excludability from gross income of interest on the Bonds for federal income tax purposes and except as may be otherwise permitted by the Indenture.

(m) The City hereby agrees to comply with and punctually perform all of its obligations under the Lease, including all obligations imposed by law.

Section 12.02 Special Covenants of the City. The City hereby covenants and agrees for the benefit of the IDB and the owners from time to time of the Bonds as follows:

(a) Transfers. Notwithstanding any other provisions of this Lease to the contrary, the City covenants and agrees that it will not sell, lease or otherwise dispose (including without limitation any involuntary disposition) of all or any portion of the Leased Property financed with the proceeds of the Bonds unless (1) prior to such sale, lease or other disposition the City delivers to the Trustee a written opinion of Bond Counsel to the effect that any such disposition will not adversely affect the validity of the Bonds or any exemption of the interest on any Bonds from federal income taxation to which such Bonds would

otherwise be entitled, and (2) prior to such sale, lease or other disposition there is delivered to the Trustee an Officer's Certificate of the City stating that, in the judgment of such officer, such portion of the Projects has become inadequate, obsolete or worn out and that (A) any amounts received by the City upon such disposition shall be applied by the City to acquire additional property constituting facilities or equipment financeable by the City under applicable law, or (B) the proceeds shall be used to pay the Option Price in whole or in part and the City delivers to the Trustee an Opinion of Bond Counsel as set forth in clause (1) above. The City hereby agrees to apply the proceeds of any disposition referred to in a certificate of the type described in clause (2) above as provided in such clause and agrees that any property acquired with such proceeds shall be deemed to be property financed with the proceeds of the Bonds for the purposes of applying the provisions of the Indenture.

(b) Compliance with Orders, Ordinances, Etc. Subject to the provisions of subsection (c) of this Section 12.02 relating to permitted contests, the City will, at its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof of which it has notice.

(c) Permitted Contests. The City shall not be required to pay any tax, charge, assessment or imposition referred to in Section 8.01 hereof, so long as the City shall contest, in good faith and at its cost and expense in the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien or encumbrance so contested, and the sale, forfeiture or loss of the Leased Property or any part thereof to satisfy the same; provided that no such contest shall subject the Trustee to the risk of any liability. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the City to settle any such contest), and in any event the City will save the Trustee harmless against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith). The Trustee agrees to cooperate with the City, at the City's cost and expense, in any such contest.

(d) Use of the Leased Property. The City will use the Leased Property only in furtherance of the lawful purposes of the City and will not use the Leased Property or any part thereof in a manner which is prohibited by State or federal law.

(e) Maintenance of Existence and Tax Status. The City agrees that, to the extent permitted by law, it will at all times maintain its existence as a municipality and body politic of the State of Tennessee, and that the City will take no action or suffer any action to be taken by others within its control which will alter, change or destroy its status as a municipality and body politic and a "political subdivision" as said term is used in the Code.

(f) Licensing. The City shall use its best efforts to maintain or cause to be maintained all permits, licenses and other governmental approvals necessary for the operation of the Leased Property.

Section 12.03 Representations, Covenants and Warranties of the IDB. The IDB hereby represents, covenants and warrants for the benefit of the City and the owners from time to time of the Bonds as follows:

(a) The IDB has the power and authority to enter into the transactions contemplated by this Lease and the Indenture and to carry out its obligations hereunder and thereunder. The IDB has been duly authorized to execute and deliver the Indenture and this Lease.

(b) The IDB is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the IDB from entering into this Lease or

the Indenture or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the IDB, nor to the best knowledge of the IDB is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the IDB is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the IDB of this Lease or any such other agreement or instrument or in connection with the carrying out by the IDB of its obligations under this Lease or thereunder have been obtained.

(d) The IDB and the City understand and agree that the IDB shall have all right, title and interest in and to the Leased Property, subject to the Indenture, this Lease and the City's option to purchase the Leased Property hereunder.

(e) The IDB will not pledge the Base Rentals, the Option Price or any of its other rights hereunder and will not mortgage or encumber the Leased Property except as provided herein and under the Indenture. All property and moneys received by the IDB from the City will, so long as no Event of Default has occurred and is then continuing, be applied for the benefit of the City, and all property and moneys received by the IDB hereunder and under the Indenture for the owner or owners of the Bonds will be applied for the benefit of such owner or owners.

(f) The payment of the Bonds or any portion thereof is not directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the IDB in its capacity as the Issuer) in respect of property, or business use, all within the meaning of Section 141(b) of the Code. No proceeds of the Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units within the meaning of Section 141(c) of the Code.

Section 12.04 Payment of Lease Payments. The City hereby covenants that it will promptly pay the Lease Payments hereunder at the place, on the dates and in the manner provided herein according to the true intent and meaning thereof.

ARTICLE XIII

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 13.01 Amendments, Changes and Modifications.

(a) Except as otherwise expressly provided in Sections 13.01(b), 13.01(c) and 13.02 hereof, this Lease may not be amended, changed or modified without the prior written consent of the Trustee in accordance with the Indenture.

(b) The IDB and the City may make, from time to time, without the consent of the Trustee or the owners of the Bonds, such modifications, alterations, amendments or additions to, or deletions from, the Site as the IDB and the City mutually agree to be necessary and desirable to facilitate the use and development by the City, its successors and assigns, of the Site; provided, however, that the portion of the Site remaining subject to this Lease after any such modification, alteration, amendment to,

or deletion from, the Site shall include the Projects located on the Site financed with the proceeds of sale of the Bonds or the replacement of such Projects. The IDB and the City hereby further covenant not to agree to any modification, alteration, amendment or addition to or deletion from the Site which would adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes and will provide an opinion of Bond Counsel to that affect. Upon such modification, alteration, amendment or addition to or deletion from the Site, the IDB and the City shall execute and cause to be recorded an amendment to this Lease or memorandum of lease reflecting the release of such portion of the Site from the terms hereof. Notwithstanding any term or provision of this Section 13.01(b), any such modification, alteration, amendment, or addition shall be subject to the Sublease.

(c) Without the consent of the Trustee or the owners of the Bonds, the City may at any time or times grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Leased Property, or the City may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the IDB agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any such instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege upon receipt of: (i) a copy of the instrument of grant or release; (ii) a written application signed by the Mayor of the City requesting such instrument; and (iii) a certificate executed by the Mayor of the City stating that such grant or release (1) is not detrimental to the proper conduct of the operations of the City, (2) will not impair the effective use or interfere with the operation of the Leased Property, and (3) will not adversely affect the tax-exempt status of the Bonds as set forth in an opinion of Bond Counsel.

Section 13.02 Amendments by IDB and City Only. This Lease may be amended at any time by written agreement of the IDB and the City (regardless of any assignments of the IDB's interests), with the prior written consent of the Trustee, but without notice to or the consent of the owners of the Bonds pursuant to Section 13.01 of the Indenture, (a) whenever, in the opinion of counsel satisfactory to the Trustee and the City, the contemplated amendment is necessary to cause this Lease to comply with Tennessee law or to cause the interest on the Bonds to be or remain excludible from gross income of the owners thereof for federal income tax purposes, (b) whenever the effect of such amendment is solely to add further, additional or improved security to the rights of the Trustee and the owners of the Bonds (c) whenever the amendment shall not prejudice in any material respect the rights of the owners of the Bonds then outstanding, or (d) to issue Additional Bonds. Notwithstanding any term or provision of this Section 13.02, any such modification, alteration, amendment, or addition shall be subject to the Sublease.

ARTICLE XIV

CITY'S OPTION TO PURCHASE THE LEASED PROPERTY; VESTING OF TITLE; PARTIAL PREPAYMENT

Section 14.01 Option to Purchase the Leased Property. The City may, if no Event of Default has occurred and is then continuing hereunder, purchase the Leased Property subject to the terms hereof on any Business Day by delivering (i) written notice during the term of the Lease to the Trustee not less than fifty (50) days prior to such Business Day indicating the City's intention to purchase the Leased Property and designating such Business Day as the Optional Payment Date, and (ii) a written opinion of nationally recognized bond counsel that such payment will not adversely affect the tax-exemption of the Bonds. The Optional Payment Date shall be any Business Day designated by the City as herein provided. The purchase price for the Leased Property to be paid by the City to exercise the option provided herein shall be an amount equal to (a) the Option Price applicable on such Optional Payment Date and fees and expenses which must be paid to retire the then outstanding Bonds, less all amounts in reserves held by the Trustee under the Indenture which may be applied to the payment of such outstanding Bonds and such other

expenses, (b) all costs of transferring title to the Leased Property to the City and (c) all other reasonable costs and expenses incidental thereto. The City hereby agrees to deposit with the Trustee an amount equal to such purchase price on or before the Optional Payment Date. The City understands that the Option Price is subject to recalculation by the Trustee from time to time based on certain redemptions of Bonds or the issuance of any Additional Bonds authorized under Section 2.13 of the Indenture. In the event the City elects to purchase the Leased Property as provided herein, the City hereby agrees to pay such Option Price (together with the other amounts constituting the purchase price for the Leased Property as provided herein) as it may be revised from time to time by such amounts as are necessary to reflect the redemption of the principal of certain Bonds or the issuance of Additional Bonds.

Section 14.02 Vesting of Title. The IDB shall promptly convey to the City by quitclaim deed the IDB's interest in the Leased Property and as a result, title thereto shall thereupon vest in the City: (i) on the Optional Payment Date provided the lien of the Indenture has been discharged; or (ii) on such later date as set forth in an amendment to this Lease if Additional Bonds have been issued and the term of the Lease extended, upon payment of all Base Rentals and Additional Rentals, plus \$10.00 and the lien of the Indenture shall have been discharged in accordance with the terms thereof. The IDB and the City acknowledge that the City is obligated under the Sublease to convey to the BOE the City's interest in the Leased Property immediately upon and contemporaneously with the conveyance by the IDB to the City of the IDB's interest in the Leased Property. The obligation of the IDB to convey to the City the IDB's interest in the Leased Property under this Article XIV shall survive the expiration or earlier termination of this Lease.

Section 14.03 Partial Prepayment.

(a) The City shall have the right to prepay a portion of the Base Rentals due by giving notice of its intent to prepay a portion of the Base Rentals to the Trustee by delivering written notice to the Trustee at least fifty (50) days prior to the date for prepayment. The notice shall state the intent of the City to prepay a portion of its Base Rentals, the proposed Optional Payment Date, the proposed Optional Redemption Date for the Bonds to be redeemed, and the principal amount of the Bonds to be redeemed. The portion of the Option Price constituting principal of, premium, if any, and interest on the Bonds shall be deposited with the Trustee pursuant to Article VII of the Indenture and the remainder of the Option Price shall be deposited to the Additional Rentals Fund to be applied as set forth therein.

(b) If the City exercises its right and option to prepay a portion of its Base Rentals, the prepayment shall be in an amount such that the Bonds remaining Outstanding after the Optional Redemption Date will be in an authorized denomination and no portion of a Bond shall be redeemed that would result in a Bond remaining Outstanding that is smaller than the minimum authorized denomination for the Bonds. The principal prepayment amount shall be applied in reduction of payment obligations set forth on Schedule I as City shall elect by written notice to the Trustee.

ARTICLE XV

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 15.01 Right of Entry. The IDB and its designated representatives shall have the right to enter upon the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the IDB's rights or obligations under this Lease or (c) for all other lawful purposes.

Section 15.02 Liens. Except for payments made or required to be made under the Indenture, the City shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to

be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other lien against the Leased Property, or the IDB's interest therein, and shall cause each such lien to be fully discharged and released; provided, however, that if the City desires to contest in good faith any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the City shall forthwith pay and discharge said judgment, but in each instance only from funds legally available for such purpose.

Section 15.03 Covenant of Quiet Enjoyment. The parties hereto mutually covenant and agree that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property, subject at all times to the Sublease and the rights of the BOE thereunder.

ARTICLE XVI

EVENTS OF DEFAULT; REMEDIES

Section 16.01 Events of Default Defined. Any of the following shall be an "Event of Default" under this Lease:

(a) Failure by the City to pay any Base Rentals required to be paid under Section 4.01(a) hereof at the times specified therein as the respective due dates therefor; or

(b) Failure by the City to pay any Additional Rentals during the term of this Lease for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied shall be received by the City from the Trustee; or

(c) Failure by the City to observe and perform any covenant, condition or agreement herein on its part to be observed or performed, other than as referred to in Section 16.01(a) or 16.01(b) hereof, for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

Section 16.02 Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default hereunder, the Trustee as provided in Sections 9.02 and 9.03 of the Indenture shall (i) exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture; or (ii) take any action at law or in equity (including an action for a writ of mandamus) deemed necessary or desirable to enforce its and the Bondowners' rights with respect to the Lease Payments and the City's covenants under the Lease, including particularly Section 4.03 hereof.

(b) Upon an Event of Default, all moneys then held in any fund or account under the Indenture shall be held by the Trustee for the benefit of the owners of the Bonds (and applied from time to time as provided in Section 9.05 of the Indenture).

Section 16.03 Remedies Cumulative. The rights and remedies given or reserved herein to the IDB and the Trustee are and shall be deemed to be cumulative, and the exercise of any shall not be deemed to be an election excluding the exercise at any other time of a different or inconsistent right or remedy or the maintenance of any action either at law or in equity.

Section 16.04 Waiver. The delay or failure of the IDB or the Trustee at any time to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred unless otherwise agreed. The receipt and acceptance by the IDB or the Trustee of any Lease Payments, in whole or in part, with knowledge of the breach of any term, covenant or condition hereof, shall not be deemed a waiver of such breach, and no waiver of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the IDB and the Trustee.

Section 16.05 Curing City's Breach. If the City shall default in the observance or performance of any term or covenant on the City's part to be observed or performed under or by virtue of any of the terms of this Lease, the Trustee may (but shall not be obligated to do so) immediately, or at any time thereafter and without notice, and to the extent permitted by law, perform or cause to be performed the same for the account of the City, and any sums paid or obligations incurred in connection therewith shall be deemed to be Additional Rentals hereunder and shall be paid by the City to the Trustee for appropriate disbursement within fifteen (15) days of the rendering of any bill or statement to the City therefor.

ARTICLE XVII

MISCELLANEOUS

Section 17.01 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

If to the IDB:

The Industrial Development Board of
the City of Lakeland, Tennessee
c/o Chairman
10001 Highway 70
Lakeland, Tennessee 38002

If to the City:

City of Lakeland, Tennessee
c/o City Manager and City Recorder
10001 Highway 70
Lakeland, Tennessee 38002

With a copy to the BOE:

Board of Education for the Lakeland School System
5020 Lions Crest Drive
Lakeland, Tennessee 38002

A duplicate copy of any such notice shall also be served upon the Trustee as herein provided to its address at U.S. Bank National Association, 333 Commerce Street, Suite 800, Nashville, Tennessee 37201 Attention: Corporate Trust Services.

Section 17.02 Governing Law. This Lease is made in the State of Tennessee under the Constitution and laws of such State and is to be so construed.

Section 17.03 City's Obligation to Operate. The City shall be obligated to use and operate the Leased Property so as to afford to the public the benefits contemplated by this Lease and to permit the IDB and the Trustee to carry out their respective covenants to the owners of the Bonds.

Section 17.04 Execution in Counterparts. This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease, and it is also understood and agreed that separate counterparts of this Lease may be separately executed by the IDB and the City, all with the same full force and effect as though the same counterpart had been executed simultaneously by the IDB and the City; provided, however, that for purposes of perfecting a security interest in this Lease by the Trustee under Article 9 of the Tennessee Uniform Commercial Code, only the counterpart delivered, pledged and assigned to the Trustee shall be deemed the original.

Section 17.05 Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Lease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 17.06 Successors and Assigns; Third Party Beneficiaries.

(a) This Lease and the covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

(b) This Lease is executed in part to induce the purchase by others of the Bonds, and for the further securing of the Bonds, and, accordingly, as long as any Bonds are outstanding, all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the owners from time to time of the Bonds, but may be enforced by or on behalf of such owners only in accordance with the provisions of the Indenture. The Lease shall not be deemed to create any right in any person who is not a party (other than the permitted successors and assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto), except in each case the owners from time to time of the Bonds and the Trustee.

Section 17.07 Limitation of Warranty. The IDB makes no warranties except those warranties or representations expressly made by the IDB in this Lease or other documents related to the issuance of the

Bonds. The IDB makes no warranty, either express or implied, as to the Leased Property or that the Leased Property will be suitable for the purposes or needs of the City.

Section 17.08 Captions and Headings. The captions and headings used throughout this Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Lease, nor in any way affect this Lease.

Section 17.09 "Net Lease". This Lease shall be deemed and construed to be a "net lease," and the City hereby agrees that the Lease Payments provided for herein shall be an absolute net return to the IDB free and clear of any expenses, charges or setoffs whatsoever, except as otherwise specifically provided herein.

Section 17.10 Provision for Payment. Any payment or prepayment by the City shall be deemed made if sufficient Governmental Obligations (as such term is defined in Article VII of the Indenture) shall have been deposited with the Trustee as provided in the Indenture; provided that notice of the exercise of the City's right of prepayment and the corresponding redemption of Bonds shall have been duly given in case of any redemption as provided in the Indenture. Such Government Obligations shall be sufficient only if they are not redeemable at the option of the issuer thereof prior to maturity and if they mature and bear interest at such times and in such amounts as will assure sufficient cash to pay such payment or prepayment when due without rendering the portion of any payment or prepayment hereunder which is allocable to interest on the Bonds to be subject to federal income taxation and otherwise comply with the requirements specified in Article VII of the Indenture.

Section 17.11 No Merger. Neither this Lease nor any provisions hereof shall be construed to effect a merger of the title of the City to the Site and the City's leasehold interest therein under this Lease.

Section 17.12 Memorandum of Lease. The parties shall file at the City's expense a memorandum of lease in the Register's Office of Shelby County, Tennessee in a form reasonably satisfactory to both parties.

Section 17.13 Indemnification and Non-Liability of IDB.

(a) City covenants and agrees, to the extent permitted by applicable law, at its expense, to pay, and to indemnify and save IDB and the Trustee harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work done in or about the Leased Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Property or the occupancy or use thereof. City also covenants and agrees, to the extent permitted by law, at its expense, to pay, and to indemnify and save IDB and the Trustee harmless against and from, any and all claims arising from (i) any condition of the Leased Property, (ii) any breach or default on the part of City in the performance of any covenant or agreement to be performed by City pursuant to this Lease, (iii) any act or negligence of City, or any of its agents, contractors, servants, employees or licensees, or (iv) any accident, injury or damage whatever caused to any person, firm or corporation in or about the Leased Property and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against IDB and the Trustee by reason of any such claims, City, upon notice from IDB and the Trustee, covenants to resist or defend such action or proceeding.

(b) The City will pay or cause to be paid in full all reasonable out-of-pocket expenses of the IDB and the Trustee incurred in connection with the execution and delivery of this Lease and the

consummation of the transactions contemplated hereby, including but not limited to (i) the reasonable fees and disbursements of the IDB's counsel, bond counsel and Trustee's counsel, (ii) all taxes (other than income taxes) applicable to such transactions, (iii) all present and future recording and filing fees and taxes, and (iv) all expenses incident to the preparation of the Bonds and the Lease and any waivers, amendments, modifications or enforcement of the terms or provisions thereof, or consents thereunder.

(signature page follows)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective names to be signed hereto by their respective officers hereunto duly authorized, all as of the day and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE

By: _____
Chairman

ATTEST:

Secretary

CITY OF LAKELAND, TENNESSEE

By: _____
Mayor

ATTEST:

City Recorder

ACKNOWLEDGMENTS

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

Before the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared _____ and _____, with both of whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the Chairman and Secretary, respectively, of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, one of the within named bargainors, a Tennessee public nonprofit corporation, and that they, as such Chairman and Secretary, being authorized so to do, executed the forgoing instrument (Lease) for the purpose therein contained by subscribing thereto the name of said corporation by themselves as such Chairman and Secretary, respectively.

WITNESS my hand and official seal at office in Lakeland, Tennessee, this __ day of December, 2017.

Notary Public

My Commission expires:

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

Before the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared _____ and _____, with both of whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the Mayor and City Recorder, respectively, of the CITY OF LAKE LAND, TENNESSEE, one of the within named bargainors, a Tennessee municipal corporation, and that they, as such Mayor and City Recorder, being authorized so to do, executed the foregoing instrument for the purpose therein contained by subscribing thereto the name of said City by themselves as such Mayor and City Recorder, respectively.

WITNESS my hand and official seal at office in Lakeland, Tennessee, this ___ day of December, 2017.

Notary Public

My Commission expires:

EXHIBIT A

Legal Description of the Site

Schedule 1

Schedule of Base Rental Payments

**The Industrial Development Board of the City of Lakeland, Tennessee
Public Facility Bonds, Series 2017 (City of Lakeland School Project)**

<u>Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Credit for Capitalized Interest</u>	<u>Total Base Rental Payment</u>
--	---------------------------------------	--------------------------------------	---	---

23838249.4

SUBLEASE AGREEMENT

Dated as of December 1, 2017

Between

CITY OF LAKELAND, TENNESSEE

Lessor,

and

BOARD OF EDUCATION FOR THE LAKELAND SCHOOL SYSTEM

Lessee.



TABLE OF CONTENTS

(This Table of Contents is not a part of this
Sublease Agreement, but is only for
convenience of reference)

Section	Page
ARTICLE I DEFINITIONS	2
Section 1.01 Definitions	2
ARTICLE II DEMISE	4
Section 2.01 Demise of the Leased Property	4
ARTICLE III TERM OF THE SUBLEASE	4
Section 3.01 Commencement and Duration of the Term of the Sublease	4
ARTICLE IV RENTALS PAYABLE	4
Section 4.01 Rent Payable	4
Section 4.02 Consideration	4
Section 4.03 Payment	4
ARTICLE V CONSTRUCTION AND FINANCING OF THE PROJECTS	4
Section 5.01 Construction of the Projects	4
Section 5.02 Financing of the Acquisition and Construction of the Projects	4
Section 5.03 Special Arbitrage Certifications	5
ARTICLE VI MAINTENANCE AND OPERATION	5
Section 6.01 Maintenance and Operation	5
Section 6.02 Care of the Leased Property	5
Section 6.03 Loss and Damage	5
ARTICLE VII INSURANCE PROVISIONS	5
Section 7.01 Insurance	5
ARTICLE VIII TAXES	6
Section 8.01 Taxes	6
ARTICLE IX ALTERATIONS, ADDITIONS AND IMPROVEMENTS	6
Section 9.01 Alterations, Additions and Improvements to the Leased Property	6
ARTICLE X ASSIGNMENTS	6
Section 10.01 Assignments by BOE	6
Section 10.02 Pledge and Attornment	6
ARTICLE XI REPRESENTATIONS, COVENANTS AND WARRANTIES	7
Section 11.01 Representations, Covenants and Warranties of the BOE	7
Section 11.02 Special Covenants of the BOE	8
Section 11.03 Representations, Covenants and Warranties of the City	9
ARTICLE XII AMENDMENTS, CHANGES AND MODIFICATIONS	9
Section 12.01 Amendments, Changes and Modifications	9
Section 12.02 Amendments by City and BOE Only	10

ARTICLE XIII VESTING OF TITLE	10
Section 13.01 Vesting of Title.....	10
ARTICLE XIV RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT	10
Section 14.01 Right of Entry.....	10
Section 14.02 Liens.....	10
Section 14.03 Covenant of Quiet Enjoyment.....	11
ARTICLE XV EVENTS OF DEFAULT; REMEDIES	11
Section 15.01 Events of Default Defined.....	11
Section 15.02 Remedies on Default.....	11
Section 15.03 Waiver.....	11
ARTICLE XVI MISCELLANEOUS	11
Section 16.01 Notices.....	11
Section 16.02 Governing Law.....	12
Section 16.03 BOE's Obligation to Operate.....	12
Section 16.04 Execution in Counterparts.....	12
Section 16.05 Severability.....	12
Section 16.06 Successors and Assigns; Third Party Beneficiaries.....	12
Section 16.07 Limitation of Warranty.....	12
Section 16.08 Captions and Headings.....	12
Section 16.09 "Net Lease".....	12
Section 16.10 No Merger.....	13
Section 16.11 Memorandum of Lease.....	13

Exhibit A

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the or this "Sublease"), dated as of December 1, 2017, by and between the CITY OF LAKE LAND, TENNESSEE (the "Lessor" or "City"), and the BOARD OF EDUCATION FOR THE LAKE LAND SCHOOL SYSTEM, Lakeland, Tennessee (the "Lessee" or "BOE");

WITNESSETH:

WHEREAS, the BOE established by the City as authorized by the City's charter (the "Charter") and operating under the ordinances of the City and the laws of the State of Tennessee, is funded by the City, a political subdivision of the State of Tennessee; and

WHEREAS, by resolution adopted on December 4, 2017 (the "BOE Resolution"), the BOE determined that it was necessary and desirable to cooperate in the refinancing of the middle school and the parcel of land upon which it is located in Shelby County, City of Lakeland, State of Tennessee (the "Site") (collectively, the "Middle School Project") and to construct and equip additional school facilities for grades nine through twelve and improvements to the middle school (collectively, the "School Addition Project"), 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, by resolution adopted on December 5, 2017 (the "City Resolution"), the City Commission requested that The Industrial Development Board of the City of Lakeland, Tennessee (the "IDB"): (i) issue its bonds to acquire the Site and the Middle School Project and to construct and equip the School Addition Project on the Site, (ii) lease the Projects and the Site to the City to be subleased to the BOE, and (iii) enter into an interlocal cooperation agreement (the "Interlocal Agreement") pursuant to Sections 12-9-101 et seq., Tennessee Code Annotated, as amended, among the BOE, the IDB, and the City to designate the BOE as the entity responsible for the management and oversight of the development, acquisition and construction of the Projects; and

WHEREAS, in order to obtain funds for the Projects, IDB has authorized and sold its Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds") pursuant to the provisions of Tennessee Code Annotated, Section 7-53-101 et seq. (the "Act"), to be secured by and contain such terms as are set forth in an Indenture of Trust (the "Indenture") between the IDB and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, to facilitate the financing of the Projects the IDB acquired ownership of the Site and all improvements thereon from the BOE from a portion of the proceeds of the Series 2017 Bonds; and

WHEREAS, the City and the IDB have entered into a lease purchase agreement (the "Lease") pursuant to which the City has leased the Projects and the Site (the "Leased Property") from the IDB and pursuant to which the City will make rental payments under the Lease in an amount equal to the principal of, premium, if any, and interest on the Series 2017 Bonds, and all other costs associated with the Series 2017 Bonds and certain payments due under the Indenture from a direct annual tax levied and collected by the City pursuant to the authority of Section 7-53-311 of the Act and pledged to such payments; and

WHEREAS, the City, the IDB and the BOE have entered into the Interlocal Agreement for the purpose appointing the BOE to supervise and control the acquisition, construction and equipping of the Projects, the City the IDB and the BOE recognizing and affirming that the ultimate authority and responsibility for the operation of the school system is in the BOE, including construction of school facilities; and

WHEREAS, the City and the BOE desire to enter into this 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 under the Charter and ordinances of the City and under the laws of the State, and at the conclusion of the Lease and the Sublease, title to the Leased Property will be vested in the BOE; and

WHEREAS, the BOE is authorized by applicable law to enter into this Sublease for the Leased Property in consideration of a nominal rental payment as described herein.

NOW THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Sublease. In addition, the following words and phrases shall have the following meanings for all purposes of this Sublease:

"Act" means Section 7-53-101, et seq., Tennessee Code Annotated, as amended.

"Additional Bonds" means additional parity bonds issued by the IDB pursuant to the terms and conditions of Section 2.13 of the Indenture.

"Authorized BOE Representative" means the Superintendent of the Lakeland School System and the Chairman of the BOE, or either of them, or such other persons designated in a written certificate signed by the Chairman of the BOE and furnished to the City, the IDB and the Trustee.

"Authorized City Representative" means the Mayor, the City Manager and the City Recorder, or any of them, and such other persons designated by written certificate signed by the Mayor and furnished to the Trustee, the IDB and the BOE.

"BOE" means the Board of Education for the City of Lakeland School System, established by the City as authorized by the Charter of the City and operating under the City's ordinances and as a local education agency under the laws of the State of Tennessee., and possessing the authority to acquire, construct, equip and operate schools.

"Bond Counsel" means an attorney at law or a firm of attorneys (which is acceptable to the City) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bonds" means the Series 2017 Bonds and any Additional Bonds issued pursuant to the Indenture.

"City" means the City of Lakeland, Tennessee, a political subdivision duly organized and existing under the laws of the State, in its capacity as lessee under the Lease, and any public body or public corporation succeeding to its rights and obligations under the Lease. Any reference herein to the "governing body" of the City shall refer to the City Commission, and to any successor governing body as authorized by applicable law.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“Event of Default” means one or more of the events described in Section 15.01 hereof.

“IDB” means The Industrial Development Board of the City of Lakeland, Tennessee.

“Indenture” means that certain Indenture of Trust, dated as of the date hereof, between the City and the Trustee, and any amendments and supplements thereto as therein provided pursuant to which the Bonds are issued.

“Interlocal Agreement” means the interlocal cooperation agreement, dated as of December __, 2017, entered into among the IDB, the City and the BOE designating the BOE as agent of the IDB for the purpose of overseeing and managing the development, acquisition, construction, and equipping of the Projects.

“Lease” means that certain Lease Agreement, dated as of December 1, 2017, between the City and the Issuer with respect to the lease purchase by the City of the Leased Property described therein from the Issuer, including the Exhibits and Schedules attached thereto and incorporated therein, and any amendments and supplements thereto as therein and herein provided.

“Leased Property” shall mean the Site and the Projects.

“Projects” means acquisition of a middle school and construction and equipping of a high school on the Site to be subleased to the BOE, including improvements and equipment (including, without limitation, equipment and other personal property currently owned, or hereinafter acquired, by the City or the BOE and installed or placed by the City or the BOE in or on the Leased Property) located on the Site and to be financed with the proceeds from the sale of the Bonds, and any improvements, enlargements, expansions, modifications, alterations or changes in, on or to the foregoing, or repairs, restorations or replacements thereto or thereof.

“Rent” means the total amount of the rent payable during the term of this Sublease.

“Series 2017 Bonds” shall mean the \$_____ Public Improvement Bonds, Series 2017 (City of Lakeland School Project) in book-entry form, issued by the IDB.

“Site” means that certain real property situated in the City, as more particularly described on Exhibit A attached hereto exclusive of any improvements thereon or that may be constructed thereon in the future.

“State” means the State of Tennessee.

“Sublease” means this Sublease Agreement, dated as of the date hereof, between the City and the BOE subleasing the Leased Property to the BOE.

“Sublease Payment Date” means the date hereof and each March 1 during the term hereof.

“Trustee” shall mean U.S. Bank National Association, Nashville, Tennessee, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

ARTICLE II

DEMISE

Section 2.01 Demise of the Leased Property. The City does hereby rent, lease and demise to the BOE and the BOE does hereby take, accept and lease from the City, the Leased Property on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of this Sublease.

ARTICLE III

TERM OF THE SUBLEASE

Section 3.01 Commencement and Duration of the Term of the Sublease. The initial term of this Sublease shall commence as of the date of issuance of the Series 2017 Bonds, and shall expire or terminate, as the case may be, upon the expiration or earlier termination of the Lease and the conveyance to the BOE of the fee interest in the Leased Property.

ARTICLE IV

RENTALS PAYABLE

Section 4.01 Rent Payable. The BOE shall pay Rent in the amount of ten dollars (\$10) to the City on each Sublease Payment Date.

Section 4.02 Consideration. The payments of Rent hereunder during the term of this Sublease shall constitute the total Rent payable for the term of this Sublease and shall be paid by the BOE for and in consideration of the right of use and occupancy of the Leased Property and the continued quiet use and enjoyment of the Leased Property for and during the term of this Sublease.

Section 4.03 Payment. Each Rent payment shall be paid in lawful money of the United States of America, in funds which shall be immediately available on the Sublease Payment Date on which they are due at the office of the City Recorder of the City.

ARTICLE V

CONSTRUCTION AND FINANCING OF THE PROJECTS

Section 5.01 Construction of the Projects. Pursuant to the Interlocal Agreement, the IDB has appointed the BOE, as its agent, to construct or cause to be constructed the Projects on the Site.

Section 5.02 Financing of the Acquisition and Construction of the Projects.

(a) For the purpose of financing the cost of construction and acquisition of the Projects on the Site and all costs and expenses incidental thereto, the IDB has caused the Series 2017 Bonds to be issued pursuant to the Indenture and has caused the proceeds from the sale of the Series 2017 Bonds to be deposited with the Trustee under the Indenture and applied as provided in the Indenture.

(b) The IDB may from time to time authorize the issuance of Additional Bonds in any amount upon the terms and conditions provided in the Indenture. Additional Bonds may be issued to provide

funds to pay one or more of the costs described in Section 5.02(b) of the Lease. Any such improvements shall become a part of the Leased Property and shall be included under this Sublease to the same extent as if originally included hereunder.

Section 5.03 Special Arbitrage Certifications. The City and the BOE jointly and severally certify and covenant to each other and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, (a) the Leased Property will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code and any applicable regulations promulgated or proposed thereunder as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised, and (b) the City and the BOE will execute, and comply with the covenants and conditions of, the Tax Certificate (as defined in the Indenture).

ARTICLE VI

MAINTENANCE AND OPERATION

Section 6.01 Maintenance and Operation. The BOE shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The BOE shall provide, or cause to be provided, all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services. It is understood and agreed that in consideration of the payment by the BOE of the Rent herein provided for, the City is only obligated to provide the Leased Property in the manner and to the extent herein provided, and neither the City, the IDB, the Trustee nor any owner of any Bond shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Property during the term of this Sublease.

Section 6.02 Care of the Leased Property.

(a) The BOE shall take good care of the Leased Property, including all fixtures and appurtenances, and suffer no waste or injury thereto, ordinary wear and tear excepted. To the extent determined by the BOE to be necessary, it shall pay for all damage to the Leased Property.

(b) The BOE's taking possession of the Leased Property or any portion thereof shall be conclusive evidence against the BOE that the Leased Property or such portion thereof were in good order and satisfactory condition when the BOE took possession thereof and that all work to be done on the Leased Property or such portion thereof pursuant to the terms hereof, if any, has been completed or will be completed pursuant to the Interlocal Agreement to the BOE's satisfaction. No representation has been made respecting the condition of the Leased Property by the City to the BOE.

Section 6.03 Loss and Damage. All of the BOE's personal property of any kind that may be on or about the Leased Property or placed in the custody of any of the BOE's employees or agents shall be held at the sole risk of the BOE, and neither the City, the IDB, the Trustee nor any Bondowner shall have any liability to the BOE for any theft or loss thereof or damage thereto from any cause whatsoever.

ARTICLE VII

INSURANCE PROVISIONS

Section 7.01 Insurance. The BOE shall maintain insurance on the Leased Property of a kind and in an amount which would normally be carried by the BOE on similar properties.

ARTICLE VIII

TAXES

Section 8.01 Taxes. The City and the BOE understand and agree that the Leased Property constitutes public property free and exempt from all taxation in accordance with applicable law; provided, however, that the BOE agrees to pay any proposed tax or assessment and the City agrees to cooperate with the BOE, upon written request by the BOE, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The BOE agrees to reimburse the City for any and all costs and expenses thus incurred by the City if the Leased Property shall be determined to be subject to such taxes, assessments or charges.

ARTICLE IX

ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Section 9.01 Alterations, Additions and Improvements to the Leased Property. The BOE shall have the right during the term of this Sublease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; provided, however, that no such alteration, addition or improvement shall alter or change the character or use of the Leased Property or impair the excludability from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE X

ASSIGNMENTS

Section 10.01 Assignments by BOE. Neither this Sublease nor any interest of the BOE or City herein shall, at any time after the date hereof, without the prior written consent of the Trustee and, as to any mortgage, pledge, assignment or transfer by the BOE, also by the City, be mortgaged, pledged, assigned or transferred by the BOE or the City by voluntary act or by operation of law, or otherwise, except as specifically provided herein. The BOE shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or subletting which may be made with such consent.

Section 10.02 Pledge and Attornment. This Sublease shall at all times be subject to the pledge of the lien of the Indenture and to all the terms, conditions and provisions thereof, whether now existing or hereafter created and without the need for any further act or agreement by the BOE; provided, however, that this Sublease shall remain in full force and effect notwithstanding such pledge or the City's default in connection with said lien, and the BOE shall not be disturbed by the City or the Trustee in its possession of the Leased Property during the term of this Sublease or in the enjoyment of its rights hereunder or as long as no default by the BOE hereunder has occurred. The BOE shall not pledge its interests hereunder or in the Leased Property to any other lien or encumbrance.

ARTICLE XI

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 11.01 Representations, Covenants and Warranties of the BOE. The BOE hereby represents, covenants and warrants for the benefit of the City and the IDB as follows:

(a) The BOE has the power and authority to enter into the transactions contemplated by this Sublease and to carry out its obligations hereunder. The BOE has been duly authorized to execute and deliver this Sublease, and agrees that it will do or cause to be done all things necessary to preserve and keep this Sublease (to the extent herein provided and subject to the limitations expressed herein) in full force and effect.

(b) The BOE is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the BOE from entering into this Sublease or performing any of its respective obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the BOE, nor to the best knowledge of the BOE is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Sublease or any other agreement or instrument to which the BOE is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Sublease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the BOE of this Sublease or any such other agreement or instrument or in connection with the carrying out by the BOE of its respective obligations hereunder or thereunder have been obtained.

(d) No officer of the BOE, or any member of the BOE, has any direct or indirect pecuniary interest in, or will receive or has agreed to receive any compensation with respect to, any contract, lease, purchase, sale or employment made or to be made in connection with the proposed transactions contemplated by the performance of this Sublease or any other agreement contemplated in connection with any of the foregoing or in connection with the issuance of the Bonds.

(e) The payment of the Rent hereunder or any portion thereof is not directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used for a private business use, all within the meaning of Section 141(b) of the Code.

(f) The entering into and performance of this Sublease or any other document or agreement contemplated hereby to which the BOE is or is to be a party will not violate any judgment, order, law or regulation applicable to the BOE or result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the BOE is a party or by which it or its assets may be bound, except as herein provided.

(g) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Sublease.

(h) The BOE shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus and agencies pertaining to the Leased Property or the use and occupancy thereof.

(i) The BOE has obtained and examined, or will obtain and examine in a timely fashion as is necessary to diligently complete the acquisition, construction and equipping of the Projects, all conditions, covenants, restrictions, easements, reservations, rights, rights-of-way and all legal requirements, certificates of need, use permits, occupancy permits, building permits and other requirements affecting or relating to the Projects, and the Projects do not and will not violate any of the same.

(j) Until the expiration or termination of the BOE's rights hereunder, unless the City and the Trustee shall otherwise consent in writing, the BOE agrees not to enter into or consent to any amendment of any of the documents contemplated hereby, except as may be required in the opinion of Bond Counsel to preserve the excludability from gross income of interest on the Bonds for federal income tax purposes and except as may be otherwise permitted by the Indenture.

(k) The BOE hereby agrees to comply with and punctually perform all of its obligations under this Sublease, including all obligations imposed by law.

Section 11.02 Special Covenants of the BOE. The BOE hereby covenants and agrees for the benefit of the City as follows:

(a) Compliance with Orders, Ordinances, Etc. Subject to the provisions of subsection (b) of this Section 11.02 relating to permitted contests, the BOE will, at its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof of which it has notice.

(b) Permitted Contests. The BOE shall not be required to pay any tax, charge, assessment or imposition referred to in Section 8.01 hereof so long as the BOE shall contest, in good faith and at its cost and expense, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien or encumbrance so contested, and the sale, forfeiture or loss of the Leased Property or any part thereof, or of the revenues therefrom or any portion thereof, to satisfy the same; provided that no such contest shall subject the City to the risk of any liability. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the BOE to settle any such contest), and in any event the BOE will, to the extent permitted by applicable Tennessee law, save the City harmless against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith). The City agrees to cooperate with the BOE, at the BOE's cost and expense, in any such contest.

(c) Use of the Leased Property. The BOE will use the Leased Property only in furtherance of the lawful purposes of the BOE and will not use the Leased Property or any part thereof in a manner which is prohibited by State or federal law.

(d) City's Right to Perform BOE's Covenants; Advances. In the event the BOE shall fail to (i) pay any tax, charge, assessment or imposition pursuant to Section 8.01 hereof, (ii) procure the insurance required by Section 7.01 hereof, or (iii) perform any other act required to be performed hereunder, then and in each such case the City may (but shall not be obligated to) remedy such default for the account of the BOE and make advances for that purpose. No such performance or advance shall operate to release

the BOE from any such default and any sums so advanced by the City shall be repayable by the BOE on demand and shall bear interest from the date of the advance until repaid at the lesser of the prime rate as reported in The Wall Street Journal or the highest rate then permitted by law. The City shall have the right of entry on the Leased Property or any portion thereof in order to effectuate the purposes of this subsection.

(e) Maintenance of Existence and Tax Status. The BOE agrees that, to the extent permitted by law, it will at all times maintain its existence as a board of education under the Charter of the City operating as a local education agency under the laws of the State and that the BOE will take no action or suffer any action to be taken by others within its control which will alter, change or destroy its status as such.

(f) Licensing. The BOE shall use its best efforts to maintain all permits, licenses and other governmental approvals necessary for the operation of the Leased Property.

Section 11.03 Representations, Covenants and Warranties of the City. The City hereby represents, covenants and warrants for the benefit of the BOE and the owners from time to time of the Bonds as follows:

(a) The City has the power and authority to enter into the transactions contemplated by this Sublease and to carry out its obligations hereunder.

(b) The City is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the City from entering into this Sublease or performing any of its obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the City, nor to the best knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Sublease or any other agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Sublease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the City of this Sublease or any such other agreement or instrument or in connection with the carrying out by the City of its obligations under this Sublease or thereunder have been obtained.

(d) The City has a valid leasehold interest in the Site pursuant to the Lease. The City and the BOE understand and agree that the BOE shall have all right, title and interest in and to the Leased Property, subject to this Sublease, the Lease and the Indenture.

(e) The City will not mortgage or encumber the Leased Property except as provided herein and under the Lease.

ARTICLE XII

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 12.01 Amendments, Changes and Modifications. The City and the BOE may make, from time to time, such modifications, alterations, amendments or additions to, or deletions from, the Site as the City and the BOE mutually agree to be necessary and desirable to facilitate the use and development by the BOE, its successors and assigns, of the Site; provided, however, that the portion of the Site remaining

subject to this Sublease after any such modification, alteration, amendment to, or deletion from, the Site shall include the Projects located on the Site financed with the proceeds of sale of the Bonds or the replacement of such Projects. The BOE may at any time or times grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Site, or the BOE may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the City agrees that it shall execute and deliver any such instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege. The City and the BOE hereby further covenant not to agree to any modification, alteration, amendment or addition to or deletion from the Site or grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Site which would adversely affect the excludability from gross income of interest on the Bonds for federal income tax purposes and the City and the BOE will provide an opinion of Bond Counsel addressed to the Trustee to that affect. Upon such modification, alteration, amendment or addition to or deletion from the Site, the City and the BOE shall execute and cause to be recorded an amendment to this Sublease reflecting the release of such portion of the Site from the terms hereof.

Section 12.02 Amendments by City and BOE Only. This Sublease may be amended at any time by written agreement of the City and the BOE (regardless of any assignments of the City's interests), (a) whenever, in the opinion of counsel satisfactory to the BOE and the City, the contemplated amendment is necessary to cause this Sublease to comply with Tennessee law or to cause the interest on the Bonds to be or remain excludable from gross income of the owners thereof for federal income tax purposes as reflected in an opinion of Bond Counsel, (b) whenever the effect of such amendment is solely to add further, additional or improved security to the rights of the Trustee and the owners of the Bonds or (c) whenever the amendment shall not prejudice in any material respect the rights of the owners of the Bonds then outstanding. Otherwise, this Sublease may not be amended, changed or modified without the prior written consent of the Trustee in accordance with the Indenture.

ARTICLE XIII

VESTING OF TITLE

Section 13.01 Vesting of Title. The City shall convey to the BOE the fee interest in and to the Leased Property (free and clear of all liens except those that encumbered the Leased Property immediately prior to the commencement date) simultaneously with the expiration or earlier termination of the Lease, the expiration or earlier termination of the Sublease, and the conveyance by the IDB to the City of the fee interest in and to the Leased Property. The obligation of the City and the rights of the BOE hereunder shall survive the expiration or earlier termination of this Sublease.

ARTICLE XIV

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 14.01 Right of Entry. The City and its designated representatives shall have the right to enter upon the Leased Property during business hours (and in emergencies at all times) (a) to inspect the same, or (b) for any purpose connected with the City's rights or obligations under this Sublease.

Section 14.02 Liens. The BOE shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other lien against the Leased Property, or the City's interest therein, and shall cause each such lien to be fully discharged and released; provided, however, that if the

BOE desires to contest in good faith any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the BOE shall forthwith pay and discharge said judgment, but in each instance only from funds legally available for such purpose.

Section 14.03 Covenant of Quiet Enjoyment. The parties hereto mutually covenant and agree that the BOE, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property.

ARTICLE XV

EVENTS OF DEFAULT; REMEDIES

Section 15.01 Events of Default Defined. An "Event of Default" under this Sublease shall be the failure by the BOE to observe and perform any covenant, condition or agreement herein on its part to be observed or performed for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the BOE by the City, unless the City shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the City will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the BOE within the applicable period and diligently pursued until the default is corrected.

Section 15.02 Remedies on Default. Upon the occurrence and continuance of any Event of Default hereunder, the City shall take any action at law or in equity (including an action for a writ of mandamus) deemed necessary or desirable to enforce its rights with respect to the Leased Property and the BOE's covenants under the Sublease.

Section 15.03 Waiver. The delay or failure of the City at any time to insist in any one or more instances upon a strict performance of any covenant of this Sublease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Sublease shall continue in full force and effect as if no breach had occurred unless otherwise agreed.

ARTICLE XVI

MISCELLANEOUS

Section 16.01 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

If to the City:

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

If to the BOE:

Board of Education for the Lakeland School System
5020 Lions Crest Drive
Lakeland, Tennessee 38002
Attention: Superintendent and Chairman

A duplicate copy of any such notice shall also be served upon the Trustee as herein provided to its address at U.S. Bank National Association, 333 Commerce Street, Suite 800, Nashville, Tennessee 37201 Attention: Corporate Trust Services.

Section 16.02 Governing Law. This Sublease is made in the State of Tennessee under the Constitution and laws of such State and is to be so construed.

Section 16.03 BOE's Obligation to Operate. The BOE shall be obligated to use and operate the Leased Property so as to afford to the public the benefits contemplated by this Sublease and to permit the City to carry out its covenants under the Lease.

Section 16.04 Execution in Counterparts. This Sublease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Sublease, and it is also understood and agreed that separate counterparts of this Sublease may be separately executed by the City and the BOE, all with the same full force and effect as though the same counterpart had been executed simultaneously by the City and the BOE.

Section 16.05 Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 16.06 Successors and Assigns; Third Party Beneficiaries. This Sublease and the covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

Section 16.07 Limitation of Warranty. The City makes no warranties except those warranties or representations expressly made by the City in this Sublease. The City makes no warranty, either express or implied, as to the Leased Property or that the Leased Property will be suitable for the purposes or needs of the BOE.

Section 16.08 Captions and Headings. The captions and headings used throughout this Sublease are or convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Sublease, nor in any way affect this Sublease.

Section 16.09 "Net Lease". This Sublease shall be deemed and construed to be a "net lease," and the BOE hereby agrees that the Rent provided for herein shall be an absolute net return to the City free and clear of any expenses, charges or setoffs whatsoever, except as otherwise specifically provided herein.

Section 16.10 No Merger. Neither this Sublease, the Lease, nor any provisions hereof or thereof shall be construed to effect a merger of the title of the BOE to the Site and the BOE's leasehold interest therein under this Sublease.

Section 16.11 Memorandum of Lease. The parties shall file at the City's expense a memorandum of sublease in the Register's Office of Shelby County, Tennessee in a form reasonably satisfactory to both parties.

(signature page follows)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective names to be signed hereto by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF LAKELAND, TENNESSEE

ATTEST:

By: _____
Mayor

City Recorder

[SEAL]

BOARD OF EDUCATION FOR THE LAKELAND
SCHOOL SYSTEM

By: _____
Chairman

ATTEST:

Secretary

[SEAL]

ACKNOWLEDGMENTS

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

Before the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared _____ and _____, with both of whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the Chairman and Secretary, respectively, of the BOARD OF EDUCATION FOR THE LAKELAND SCHOOL SYSTEM, one of the within named bargainors, a Tennessee local education agency, and that they, as such Chairman and Secretary, being authorized so to do, executed the forgoing instrument (Sublease) for the purpose therein contained by subscribing thereto the name of said corporation by themselves as such Chairman and Secretary, respectively.

WITNESS my hand and official seal at office in Lakeland, Tennessee, this ____ day of _____, 2017.

Notary Public

My Commission expires:

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

Before the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared _____ and _____, with both of whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the Mayor and City Recorder, respectively, of the CITY OF LAKELAND, TENNESSEE, one of the within named bargainors, a Tennessee municipal corporation, and that they, as such Mayor and City Recorder, being authorized so to do, executed the foregoing instrument (Sublease) for the purpose therein contained by subscribing thereto the name of said City by themselves as such Mayor and City Recorder, respectively.

WITNESS my hand and official seal at office in Lakeland, Tennessee, this ____ day of _____, 2017.

Notary Public

My Commission expires:

EXHIBIT A

23844974.3

INDENTURE OF TRUST

Dated as of December 1, 2017

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE**

TO

**U.S. Bank National Association,
as Trustee**

**Relating to \$_____ Public Improvement Bonds, Series 2017 (City of Lakeland School Project) of The
Industrial Development Board of the City of Lakeland, Tennessee.**



Table of Contents

Page

(This Table of Contents is not a part of this
Indenture of Trust, but is only for
convenience of reference.)

ARTICLE I DEFINITIONS	4
ARTICLE II THE BONDS	11
Section 2.01. Authorized Amount of Series 2017 Bonds	11
Section 2.02. Issuance of the Series 2017 Bonds.....	11
Section 2.03. Place of Payment.....	12
Section 2.04. Book-Entry System.....	12
Section 2.05. Nature of Obligation; Covenant to Charge Base Rentals and Additional Rentals.....	14
Section 2.06. The Bond Register	15
Section 2.07. Authentication.....	15
Section 2.08. Form of Bonds and Temporary Bonds.....	15
Section 2.09. Transfers and Exchanges of Bonds; Lost, Stolen, Destroyed or Mutilated Bonds.....	15
Section 2.10. Cancellation of Bonds.....	16
Section 2.11. Ownership.....	16
Section 2.12. Delivery of the Series 2017 Bonds; Application of Proceeds of Series 2017 Bonds.....	17
Section 2.13. Additional Bonds.....	18
ARTICLE III GENERAL COVENANTS	20
Section 3.01. Payment of Bonds	20
Section 3.02. Performance of Issuer's Covenants; Authority.....	20
Section 3.03. Payment of Taxes, Charges, Insurance, etc.....	20
Section 3.04. Maintenance and Repair.....	20
Section 3.05. Recordation of the Memorandum of Lease.....	20
Section 3.06. Inspection of Books	21
Section 3.07. Rights under the Lease.....	21
Section 3.08. Warranty	21
Section 3.09. Further Assurances.....	21
Section 3.10. Actions with Respect to Trust Estate	21
Section 3.11. Power of Attorney in Respect of the Lease.....	22
ARTICLE IV REVENUES AND FUNDS	22
Section 4.01. Source of Payment of Bonds.....	22
Section 4.02. Creation of Bond Fund.....	22
Section 4.03. Payments into Bond Fund.....	22
Section 4.04. Use of Moneys in Bond Fund.....	23
Section 4.05. Custody of Bond Fund.....	23
Section 4.06. Notice of Nonpayment of Lease Payments.....	23
Section 4.07. Creation of Construction Fund.....	23
Section 4.08. Construction of the Projects; Delivery of Completion Certificate.....	24
Section 4.09. Creation of Costs of Issuance Fund; Disbursements from Costs of Issuance Fund.....	24
Section 4.10. Creation of Additional Rentals Fund	24
Section 4.11. Moneys to be Held in Trust; Nonpresentment of Bonds.....	24
Section 4.12. Rebate Fund.....	24
Section 4.13. Repayment to the City.....	25

Table of Contents

	<u>Page</u>
ARTICLE V INVESTMENT OF MONEYS	25
Section 5.01. Permitted Investments.....	25
Section 5.02. Arbitrage Covenant.....	26
ARTICLE VI REDEMPTION OF SERIES 2017 BONDS	26
Section 6.01. Redemption of Series 2017 Bonds.....	26
Section 6.02. Optional Redemption of Series 2017 Bonds.....	26
Section 6.03. Mandatory Sinking Fund Redemption of Series 2017 Bonds.....	26
Section 6.04. Partial Redemption of Bonds.....	27
Section 6.05. Notice of Redemption; Deposit of Moneys.....	27
Section 6.06. Revised Schedule of Base Rentals and Option Price.....	28
ARTICLE VII DISCHARGE OF LIEN	28
Section 7.01. Discharge of Lien.....	28
ARTICLE VIII POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY	30
Section 8.01. Subordination of Lease to the Indenture.....	30
Section 8.02. Release of Site.....	30
Section 8.03. Granting or Release of Easements.....	30
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES	31
Section 9.01. Events of Default Defined.....	31
Section 9.02. Remedies Upon Default.....	31
Section 9.03. Other Remedies.....	31
Section 9.04. Remedies Not Exclusive.....	31
Section 9.05. Application of Moneys.....	32
Section 9.06. Right of Bondowners to Direct Proceedings.....	33
Section 9.07. Remedies Vested in Trustee.....	33
Section 9.08. Termination of Proceedings.....	33
Section 9.09. Waivers of Events of Default.....	33
Section 9.10. Rights and Remedies of Bondowners.....	33
Section 9.11. Notice of Defaults Under Section 9.01(d); Opportunity of the City to Cure Defaults.....	34
ARTICLE X THE TRUSTEE	34
Section 10.01. Duties of the Trustee.....	34
Section 10.02. Trustee's Liability.....	34
Section 10.03. No Responsibility of Trustee for Recitals.....	36
Section 10.04. Compensation and Expenses of Trustee; Indemnification.....	36
Section 10.05. Status of Moneys Received.....	37
Section 10.06. Resignation of Trustee.....	37
Section 10.07. Removal of Trustee.....	37
Section 10.08. Appointment of Successor Trustee.....	37
Section 10.09. Succession of Successor Trustee.....	37
Section 10.10. Eligibility of Trustee.....	37
Section 10.11. Successor Trustee by Merger.....	38
Section 10.12. Co-Trustees.....	38
Section 10.13. Financing Statements.....	38
Section 10.14. Designation and Succession of Registration Agents; Agreement with Registration Agent.....	38

Table of Contents

	<u>Page</u>
Section 10.15. Qualifications of Registration Agent; Resignation; Removal.....	39
ARTICLE XI LIMITATIONS OF LIABILITY OF ISSUER	40
Section 11.01. Limitations of Liability of Issuer	40
ARTICLE XII SUPPLEMENTAL INDENTURES; WAIVERS	40
Section 12.01. Supplemental Indentures Without Bondowner Consent	40
Section 12.02. Waivers and Consents by Bondowners; Supplemental Indentures with Bondowners' Consent	41
Section 12.03. Notice of Supplemental Indentures	41
Section 12.04. Opinion of Counsel Conclusive as to Supplemental Indentures	41
ARTICLE XIII AMENDMENT OF LEASE	41
Section 13.01. Amendments to Lease Not Requiring Consent of Bondowners	41
Section 13.02. Amendments to Lease Requiring Consent of Bondowners	42
ARTICLE XIV MISCELLANEOUS	42
Section 14.01. Successors and Assigns; Parties in Interest.....	42
Section 14.02. Partial Invalidity.....	42
Section 14.03. Communications	42
Section 14.04. Release	43
Section 14.05. Counterparts	43
Section 14.06. Governing Law	43
Section 14.07. Headings	43
Section 14.08. Consents, etc., of Bondowners	43
Section 14.09. Payments Due on Other Than Business Days.....	44
Section 14.10. Action by the City and by the BOE.	44

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of December 1, 2017 (the or this "Indenture"), by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, a public corporation of the State of Tennessee (the "Issuer"), and U.S. Bank National Association, as Trustee (the "Trustee"), a national banking association organized under the laws of the United States of America, with its designated corporate trust office in _____, Tennessee;

WITNESSETH:

WHEREAS, the Issuer has been organized for the purpose, among others, to finance, own, lease and/or dispose of projects in accordance with the procedures and subject to the limitations of Title 7, Chapter 53, Tennessee Code Annotated, as amended (the "Act"), and is authorized in accordance with the Act to issue bonds to finance such projects payable out of the revenues and receipts derived from such projects; and

WHEREAS, pursuant to the Act and other applicable law, the Board of Commissioners 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 Issuer 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, as more particularly described in Exhibit A attached hereto, 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 the construction and equipping of 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, the Issuer, as lessor, and the City, as lessee, will, simultaneously with the execution and delivery of this Indenture, enter into a lease purchase agreement, specifically, that certain Lease Agreement, dated as of December 1, 2017 (the "Lease"), pursuant to which the Issuer has agreed to acquire, construct, improve and equip the Projects on the Site and lease the Projects and the Site (collectively, the "Leased Property") to the City on the terms and conditions set forth therein; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution of the Board of Directors of the Issuer, the Issuer 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"), to provide funds for the purpose of acquiring, constructing and equipping the Projects on the Site for the use and occupancy of the Leased Property by the City and (b) to lease the Leased Property to the City in consideration of certain Base Rentals (as defined herein) and Additional Rentals (as defined herein) to be paid as hereinafter described which will be sufficient to pay the principal of, and premium, if any, and interest on the Series 2017 Bonds (described below), any Additional Bonds (as defined herein) and certain other costs and expenses as hereinafter described; and

WHEREAS, the obligations of the City under the Lease are payable from and secured solely by a direct annual tax levied by the City pursuant to the authority of Section 7-53-311, Tennessee Code Annotated, as amended, and are additionally payable from, but not secured by, other legally available funds of the City; and

WHEREAS, it is anticipated that additional amounts may be necessary to complete or improve the Projects or for other specified purposes and as a result thereof provision should be made for the issuance of additional parity bonds from time to time (hereinafter referred to as the "Additional Bonds"); and

WHEREAS, the City and the BOE will enter into a sublease agreement (the "Sublease") in which the City will sublease the Projects on the Site to the BOE, as the entity legally vested with responsibility for management, control and operation of schools for the City, and at the conclusion of the Lease and the Sublease, title to the Projects will be vested in the BOE; and

WHEREAS, by resolution duly adopted by the Board of Commissioners of the City on December 5, 2017, the City has heretofore approved the issuance of the Series 2017 Bonds, the undertaking of the acquisition, construction and equipping of the Projects and the lease purchase of the Leased Property, and the sublease of the Leased Property to the BOE, as described above; and

WHEREAS, the Issuer, the City and the BOE have entered into an interlocal cooperation agreement (the "Interlocal Agreement") for the purposes of designating the BOE as agent of the Issuer to manage and oversee the development, acquisition and construction of the Projects; and

WHEREAS, the proceeds of sale of the Series 2017 Bonds are to be held hereunder and applied by the Trustee in accordance with the terms hereof, including, to the extent provided herein, for the Projects in accordance with the terms hereof and of the Lease; and

WHEREAS, the Series 2017 Bonds and the Trustee's certificate of authentication to be endorsed thereon and any Additional Bonds and the Trustee's certificate of authentication thereon are to be in substantially the form (except as to redemption, sinking fund and other provisions peculiar to such Additional Bonds), with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, as attached hereto as Exhibit B; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the rentals and revenues derived from the Lease herein made to the payment of the principal of, and premium, if any, and interest on, the Bonds and a valid assignment of the rights of the Issuer under the Lease, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the owners thereof, the sum of Ten Dollars lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, and premium, if any, and interest on, the Bonds outstanding hereunder from time to time, according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, transfer, convey, assign, pledge and hypothecate unto the Trustee, its successors in trust and assigns, forever, and grants to the Trustee, its successors in trust and assigns, forever, a security interest in, except any Additional Rentals and monies in any Rebate Fund created hereunder

hereinafter expressly excepted from the lien hereof, all and singular the following described properties, rights, interests and privileges (hereinafter sometimes collectively referred to as the "Trust Estate"):

GRANTING CLAUSE FIRST

All right, title, interest, estate, claims and demands of the Issuer in and to the Pledged Revenues and as lessor in, to and under the Lease (a memorandum of which is of record in Book ____, Page ____, Register's Office of Shelby County, Tennessee), including any and all extensions or renewals of the term thereof, together with all rights, powers, privileges, options and other benefits of the Issuer as lessor under the Lease, including, without limitation:

(A) the immediate and continuing right to receive and collect all amounts to be paid into the Bond Fund pursuant to the Lease from Lease Payments now or hereafter payable or receivable by the Issuer under the Lease pursuant thereto;

(B) the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any provision thereof; and

(C) the right to take such action upon the occurrence of an Event of Default with respect to the Lease or an event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default with respect to the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Issuer or any lessor is or may be entitled to do under the Lease;

it being the intent and purpose hereof that the assignment and transfer to the Trustee of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Trustee shall have the right to collect and receive all Pledged Revenues and any other sums payable under the Lease, all for application in accordance with the provisions hereof at all times during the period from and after the date of this Indenture until the principal of and interest and premium, if any, on the Bonds and all additional amounts and other sums at any time due and owing from or required to be paid by or on behalf of the Issuer under the terms of the Bonds or this Indenture or by the City pursuant to the terms of the Lease have been fully paid and discharged; *provided, however*, that the assignment made by this Clause shall not impair or diminish any obligation of the Issuer under the provisions of the Lease.

GRANTING CLAUSE SECOND

Any and all moneys and securities from time to time held by the Trustee under the terms of this Indenture at any and all times and to hold and apply the same subject to the terms hereof.

This Indenture constitutes or shall be treated as constituting a security agreement under the Tennessee Uniform Commercial Code, so that the Trustee shall have and may enforce a security interest to secure payments of all sums due or to become due under this Indenture imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said Trust Estate and assigns forever;

SUBJECT, HOWEVER, to Permitted Encumbrances (as defined in Article I hereof);

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Series 2017 Bonds and Additional Bonds, if any, from time to time, issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others of the Bonds, except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the Pledged Revenues, revenues and receipts, hereby assigned or pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners, from time to time, of the Bonds as follows:

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Lease shall have the same meaning when used in this Indenture. In addition, the following words and phrases shall have the following meanings for all purposes of this Indenture:

“Act” means Title 7, Chapter 53, Tennessee Code Annotated, as amended.

“Additional Bonds” means additional parity bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 2.13 hereof.

“Additional Rentals” means the amount or amounts payable by the City pursuant to Section 4.01(d) of the Lease.

“Authorized BOE Representative” means the Superintendent of the Lakeland School System and the Chairman of the BOE, or either of them, or such other persons designated in a written certificate signed by the Chairman and furnished to the City, the Issuer and the Trustee.

“Authorized City Representative” means the Mayor, the City Manager and the City Recorder, or any of them, and such other persons designated by written certificate signed by the Mayor and furnished to the Trustee, the Issuer and the BOE.

“Authorized Issuer Representative” means the Chairman, Vice-Chairman and Secretary-Treasurer of the Issuer, or any of them, and such other persons designated in a written certificate signed by the Chairman and furnished to the Trustee and the City.

“Base Rental Payment Date” means the twenty-fifth (25th) day of February and August of each year during the term of the Lease.

“Base Rentals” means the total of the amounts payable by the City as Base Rentals pursuant to Section 4.01(a)(b) and (c) of the Lease, comprising a principal component and an interest component as set forth in Schedule 1 to the Lease.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond and with respect to DTC means the person in whose name a Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and each of the DTC Participants.

“BOE” means the Board of Education for the Lakeland School System established by the City as authorized by the charter of the City and governed by laws of the State.

“Bond Counsel” means an attorney at law or a firm of attorneys (which is acceptable to the City) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Bond Fund” means the fund created by Section 4.02 hereof.

“Bondowner”, “owner”, “Holder”, “Bondholder”, or any similar term, means the Person in whose name a Bond is registered in the Bond Register.

“Bond Payment Date” means an Interest Payment Date and/or a Principal Payment Date.

“Bond Register” means the bond register as defined in Section 2.06 hereof.

“Bonds” means the Series 2017 Bonds and Additional Bonds, if any, issued hereunder.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the Issuer or the Trustee, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those bonds.

“Business Day” means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are required by law or authorized to remain closed, or (c) any day on which the New York Stock Exchange is closed.

“City” means the City of Lakeland, Tennessee, a political subdivision duly organized and existing under the laws of the State, in its capacity as lessee under the Lease, and any public body or public corporation succeeding to its rights and obligations under the Lease. Any reference herein to the “governing body” of the City shall refer to the City Commission, and to any successor governing body as authorized by applicable law.

“City Commission” means the Board of Commissioners of the City or any successor to its powers, duties or obligations under applicable law.

“City Resolution” means the resolution adopted by the City Commission on December 5, 2017 approving the Lease, the Interlocal Agreement, the Sublease, and the Escrow Agreement, requesting the issuance of the Series 2017 Bonds, and levying the direct annual tax on all taxable property within the corporate limits of the City pursuant to Section 7-53-311, Tennessee Code Annotated, as amended.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“Completion Certificate” means the certificate delivered by or at the direction of the Authorized BOE Representative pursuant to Section 4.08 hereof evidencing completion of the Projects.

“Construction” (and other forms of the word “construct”), when used with respect to any portion of the Projects, means and includes, without limitation, the acquisition, construction, improvement and equipping of the Projects on the Site.

“Construction Fund” means the fund of that name created by Section 4.07 hereof.

“Costs of Construction” with respect to the Leased Property include, but are not limited to the following:

(i) obligations of the City, the BOE or the Issuer incurred for labor and materials (including reimbursements payable to the Issuer, the BOE or the City for costs paid prior to the original issuance of the Bonds and payments on contracts in the name of the Issuer, the City, or the BOE properly chargeable to a capital account in respect of the Leased Property) in connection with the Leased Property;

(ii) the cost of performance or other bonds and any and all types of insurance (including but not limited to title insurance) that may be necessary or appropriate to have in effect during the construction period for the Projects;

(iii) all costs of acquiring, planning, designing, constructing, and renovating the Leased Property, including architectural, planning, engineering, legal and fiscal advisors' fees and the costs incurred by the City, the BOE or the Issuer for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper and timely completion of the Projects;

(iv) all Costs of Issuance;

(v) payment of the cost of equipment and furnishings for the Projects and all other costs authorized by the Act or other applicable law that are considered to be a part of the costs of the Projects in accordance with generally accepted accounting principles and that will not adversely affect the excludability from gross income for federal income tax purposes of interest on the Bonds, including but not limited to interest (exclusive of accrued interest, if any, paid upon initial delivery of the Bonds or upon initial delivery of any other Series of Bonds hereunder) accruing on the Bonds during the period required to complete the Projects and for not more than twelve (12) months thereafter;

(vi) all costs of land acquisition including the Site and reimbursements of any such costs.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Issuer or the City relating to the financing of the Leased Property hereunder, including, but not limited to, all costs paid or incurred by the City or the Issuer at any time prior to or after delivery of the Bonds with respect to the issuance, sale and delivery of the Bonds, including, but not limited to, initial or acceptance fees and expenses of the Trustee, the Registration Agent, and escrow agent, costs of legal and other professional services, including financial advisory services, costs of underwriting the Bonds (including underwriting fees or bond discount), premium for bond insurance, if any, costs of preparing the Lease, the Interlocal Agreement, the Sublease, the Escrow Agreement, and this Indenture, and any supplements to any thereof and any other documents in connection with the authorization, issuance and sale of the Bonds, rating agency fees and expenses, recording and filing fees, costs of title insurance, if any, printing and engraving and other fees and costs in connection therewith.

“Costs of Issuance Fund” means the fund created by Section 4.09 hereof.

“Depository” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

“DTC” means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant(s)” means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System.

“Direct Tax” means the direct annual tax levied on all taxable property within the corporate limits of the City by the City Resolution authorized by Section 7-53-311 of the Act and pledged by the City to the payment of Lease Payments under the Lease..

“Escrow Agreement” means the Escrow Agreement, dated as of the December __, 2017 between the City and U.S. Bank National Association, as escrow agent pursuant to which proceeds of the Series 2017 Bonds will be deposited in payment for the Site and the Middle School Project.

“Event of Default” is defined in Section 9.01 hereof.

“Fiscal Year” means the twelve-month period used from time to time by the City for its financial accounting purposes with respect to the Leased Property, such period currently extending from July 1 to the next succeeding June 30.

“Indenture” means this Indenture of Trust, dated as of December 1, 2017 between the Issuer and the Trustee, as amended and supplemented by Supplemental Indentures.

“Interlocal Agreement” means the interlocal cooperation agreement, dated as of December 1, 2017, entered into among the IDB, the City and the BOE designating the BOE as agent of the IDB for the purpose of overseeing and managing the development, acquisition, construction, and equipping of the Projects.

“Interest Payment Date(s)” means with respect to the Series 2017 Bonds, March 1 and September 1 of each year so long as any of the Series 2017 Bonds are outstanding, commencing September 1, 2018 and any Interest Payment Dates designated by Supplemental Indenture in connection with the issuance of Additional Bonds.

“Issuer” means The Industrial Development Board of the City of Lakeland, Tennessee, a public corporation duly organized and existing under the laws of the State of Tennessee for the purpose, among others, of financing, owning, leasing and/or disposing of properties such as the Projects in accordance with the Act, and any successor to the duties or functions of the Issuer.

“Lease” means that certain Lease Agreement, dated as of December 1, 2017, between the City and the Issuer with respect to the lease purchase by the City of the Leased Property described therein from the Issuer, including the Exhibits and Schedules attached thereto and incorporated therein, and any amendments and supplements thereto as therein and herein provided.

“Lease Payments” means the Base Rentals and Additional Rentals required to be made by the City under the Lease.

“Leased Property” means the Projects and the Site, collectively, leased and to be leased to the City pursuant to the Lease.

“Notice by Mail” or “notice” of any action or condition “by Mail” means a written notice meeting the requirements of this Indenture mailed by first-class mail, postage prepaid, to the owners of specified Bonds, at the addresses shown in the Bond Register.

“Officer's Certificate” when used with respect to the City means a certificate signed by the Authorized City Representative or, when used with respect to the Issuer, the Authorized Issuer Representative, or with respect to the BOE means a certificate signed by the Authorized Representative of the BOE and delivered to the Trustee.

“Option Price” means the price (to be calculated by the Trustee sufficient to optionally redeem all outstanding Bonds at par, plus redemption premium, if any, plus accrued interest on an applicable Optional Redemption Date in accordance with Article VI hereof and Section 14.01 of the Lease, together with certain other amounts payable pursuant to Section 14.01 of the Lease and any other payments due and owing under the Indenture) at which the City may elect to purchase the Leased Property from the Issuer on the Optional Payment Date designated by the City pursuant to Section 14.01 of the Lease prior to the scheduled payment of all sums to be paid for the Leased Property. In the event of a partial redemption of the Bonds or the issuance of the Additional Bonds as provided in the Indenture, the Option Price is required to be recalculated by the Trustee and provided to and be binding upon the City as more fully set forth in Section 6.06 hereof and Section 4.01(c) of the Lease.

“Optional Payment Date” means the Business Day which the City may elect, pursuant to Section 14.01 of the Lease, to purchase the Leased Property for the Option Price.

“Optional Redemption Date” means any date on or after March 1, 20__ on which the Issuer elects to redeem Series 2017 Bonds, at the direction of the City, pursuant to Section 6.02 hereof, and such other date or dates as set forth in a Supplemental Indenture in connection with the issuance of Additional Bonds.

“Outstanding” when used with respect to Bonds means, as of the date of determination, all Bonds which have theretofore been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled and delivered to the Registration Agent or delivered to the Registration Agent for cancellation;

(b) Bonds for the payment or redemption of which cash funds or Government Obligations (as defined in Article VII hereof) in the necessary amount shall have been theretofore deposited

with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in trust for the owners of such Bonds; provided that if such Bonds are to be redeemed prior to the stated maturity date thereof, notice of such redemption shall have been duly given pursuant to the provisions of this Indenture or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture;

provided, however, that in determining whether the owners of a requisite aggregate principal amount of Bonds outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof or of the Lease, Bonds which are owned by or on behalf of the Issuer, the Trustee or the City shall be disregarded for the purpose of any such determination, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer, the Trustee or the City.

“Participants” shall mean any person for which the Depository holds bonds as a securities depository and shall include DTC Participants.

“Permitted Encumbrances” shall mean, as of any particular time, (i) liens for taxes, assessments and other governmental charges not then delinquent; and (ii) the Lease, this Indenture, the Sublease, and any financing statements naming the Issuer or the City as debtor and naming the Trustee or the Issuer as secured party now or hereafter filed to perfect the security interests granted by this Indenture and the Lease.

“Permitted Investments” means investments authorized under Section 6-56-106, Tennessee Code Annotated, as amended.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity, including (without limitation) the Issuer, the City, and the BOE.

“Pledged Revenues” means (i) Base Rentals, and (ii) funds on deposit in the Bond Fund.

“Principal Payment Dates” means with respect to the Series 2017 Bonds, March 1 of each year so long as any of the Series 2017 Bonds are outstanding, commencing March 1, 2019 and any Principal Payment Dates designated by Supplemental Indenture in connection with the issuance of Additional Bonds.

“Projects” means (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, as more particularly described in Exhibit A attached hereto, 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 the construction and equipping of 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 to be financed with the proceeds from the sale of the Series 2017 Bonds, and any improvements, enlargements, expansions, modifications, alterations or changes in, on or to the foregoing, or repairs, restorations or replacements thereto or thereof.

“Purchase Agreement” means the Bond Purchase Agreement among the Issuer, the City and the Underwriter pursuant to which the Series 2017 Bonds are sold to the Underwriter.

“Rebate Fund” means the fund created by Section 4.12 hereof.

“Registration Agent” means the Trustee, or the agent appointed by the Trustee, at the direction of the City, as agent of the Trustee, to act as registration and paying agent to keep the books for the registration of the Bonds and for the registration of transfer and exchange of the Bonds, and to make payments of principal of, premium, if any, and interest on the Bonds and any successor appointed by the Trustee, at the direction of the City, or in the event that at any time no such agent shall be appointed, the Trustee.

“Regular Record Date” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

“Series” means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Series 2017 Bonds” means the \$ _____ aggregate principal amount of Public Improvement Bonds, Series 2017 (City of Lakeland School Project) authorized to be issued by the Issuer pursuant to the terms and conditions of Section 2.02 hereof.

“Site” means that certain real property situated in the City, as more particularly described on Exhibit A attached to the Lease.

“Special Record Date” means a special date fixed to determine the names and addresses of owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as provided in Section 2.03(b) hereof.

“State” means the State of Tennessee.

“Sublease” means the Sublease Agreement, dated as of the date hereof, between the City and the BOE of the Leased Property.

“Supplemental Indenture” means any supplement to this Indenture for the purposes set forth in Article XII hereof.

“Tax Certificate” means any agreement or certificate of the Issuer, the City and the BOE that the Issuer, the City and the BOE may execute in order to establish and maintain the excludability from gross income for federal income tax purposes of interest on the Bonds.

“Trust Estate” has the meaning stated in the Granting Clauses hereof.

“Trustee” means U.S. Bank National Association, in its capacity as trustee under this Indenture and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

“Underwriter” means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Piper Jaffrey & Co. with respect to the Series 2017 Bonds, and with respect to Additional Bonds, such Underwriter designated in the Supplemental Indenture.

ARTICLE II

THE BONDS

Section 2.01. Authorized Amount of Series 2017 Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Series 2017 Bonds that may be issued hereunder is hereby expressly limited to \$_____ except as provided in Section 2.09 hereof; *provided, however*, that Additional Bonds may be issued as provided in Section 2.13 hereof.

Section 2.02. Issuance of the Series 2017 Bonds.

(a) In order to provide funds to finance the Costs of Construction of the Projects and to pay all or a portion of the Costs of Issuance, there is hereby authorized to be issued a Series of Bonds in the aggregate principal amount of \$_____, which Series of Bonds is hereby designated as "The Industrial Development Board of the City of Lakeland, Tennessee, Public Improvement Bonds, Series 2017 (City of Lakeland School Project)". The Series 2017 Bonds shall be dated their date of issuance, and shall bear interest from their dated date. The Trustee shall insert the date of registration and authentication of each Series 2017 Bond in the place provided for such purpose in the certificate of authentication on each Series 2017 Bond. Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date and shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months.

The Series 2017 Bonds shall mature on March 1 in each of the years set forth below and shall bear interest at the rates set forth below:

Maturity

Principal Amount

Interest Rate

(b) The Series 2017 Bonds shall be signed on behalf of the Issuer by the official manual or facsimile signature of its Chairman and attested by the official manual or facsimile signature of its Secretary, and its seal shall be thereunto affixed by the Secretary of the Issuer, which may be by a facsimile of the Issuer's seal which is impressed upon the Series 2017 Bonds. Any such facsimile signature shall have the same force and effect as if said Chairman or Secretary, as the case may be, had manually signed each of said Series 2017 Bonds. The Series 2017 Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed or attested any of the Series 2017 Bonds shall cease to be such officer before the Series 2017 Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Issuer, such Series 2017 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Issuer as though such person who signed or attested the same had continued to be such officer of the Issuer. Also, any Series 2017 Bond may be signed or attested on behalf of the Issuer by any person who on the actual date of the execution of such Series 2017 Bond shall be the proper officer of the Issuer, although on the nominal date of such Series 2017 Bond any such person shall not have been such officer of the Issuer.

(c) The Series 2017 Bonds shall be issuable only as fully registered book-entry Series 2017 Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2017 Bonds shall be lettered "R" and shall be numbered consecutively from 1 upward.

Section 2.03. Place of Payment.

(a) The principal of and premium, if any, on the Series 2017 Bonds shall be payable at the designated corporate trust office of the Trustee in Nashville, Tennessee or at such other designated office, upon presentation and surrender thereof.

(b) Interest on the Series 2017 Bonds shall be paid to the Person who is the registered owner thereof as of the close of business on the Regular Record Date for such Interest Payment Date and shall be paid by check or draft drawn on the Trustee, as Registration Agent, and mailed on the Interest Payment Date to the registered owner thereof at the address on the Bond Register or at such other address as is furnished to the Trustee in writing by the registered owner thereof prior to the Regular Record Date, notwithstanding the cancellation of any such Series 2017 Bond upon any exchange or transfer thereof subsequent to the Regular Record Date and prior to such Interest Payment Date, but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof as of the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof as of the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Series 2017 Bonds not less than ten days prior thereto by Mail to each such owner as shown on the Bond Register, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Holder of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Trustee and written notice of any such election and designated account is given to the Trustee prior to the record date.

(c) The principal of, and premium, if any, and interest on, the Series 2017 Bonds shall be paid in lawful money of the United States of America.

Section 2.04. Book-Entry System. Upon the initial issuance and delivery of the Series 2017 Bonds, the Series 2017 Bonds shall be issued in the name of DTC, as the initial Depository or its nominee, as registered owner of the Series 2017 Bonds, and held in the custody of the Depository or its designee. A

single certificate (or such number of certificates required by the procedures of the Depository) will be issued and delivered to the Depository (or its designee) for the Series 2017 Bonds, and the Beneficial Owners will not receive physical delivery of Series 2017 Bond certificates except as provided herein. For so long as the Depository shall continue to serve as securities depository for the Series 2017 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2017 Bonds is to receive, hold or deliver any Series 2017 Bond certificate. The Issuer, the City and the Trustee will recognize the Depository or its nominee as the Owner for all purposes, including notices.

The Issuer, the City, and the Trustee may rely conclusively upon (i) a certificate of the Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 2017 Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2017 Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 2017 Bonds, the beneficial ownership thereof is determined by a Book-Entry System at the Depository, the requirements in this Indenture of holding, delivering or transferring Series 2017 Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Depository as to registering or transferring the book-entry Series 2017 Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Series 2017 Bonds shall, while the Series 2017 Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Depository in accordance with applicable state law.

When a Book-Entry System is in effect, the Issuer, the Trustee and the City may treat the Depository (or its nominee) as the sole and exclusive owner of the Series 2017 Bonds registered in its name for the purposes of (i) payment of the principal of, premium, if any, and interest on the Series 2017 Bonds or portion thereof to be redeemed or purchased, (ii) giving any notice permitted or required to be given to Bondholders under this Indenture, and (iii) the giving of any direction or consent or the making of any request by the Bondholders hereunder, and none of the Issuer, the City nor the Trustee, shall be affected by any notice to the contrary. None of the Issuer, the City nor the Trustee will have any responsibility or obligations to the Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Bond Register, with respect to (i) the accuracy of any records maintained by the Depository or any Participant; (ii) the payment by the Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Series 2017 Bonds; (iii) the delivery of any notice by the Depository or any Participant; (iv) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2017 Bonds; or (v) any consent given or any other action taken by the Depository or any Participant. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2017 Bonds registered in the name of a nominee of the Depository only to or "upon the order of" the Depository (as that term is used in the Uniform Commercial Code as adopted in Tennessee), and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of, premium, if any, and interest on such Series 2017 Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Trustee and the Issuer, at the direction and expense of the City, and the Issuer and the Trustee will cause the delivery of Series 2017 Bond certificates to such Beneficial Owners of the Series 2017 Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Depository in writing, under the following circumstances:

(a) The Depository determines to discontinue providing its service with respect to the Series 2017 Bonds and no successor Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' notice to the Issuer, the City and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

- (b) The City determines not to continue the Book-Entry System through a Depository.

In the event the Book-Entry System is discontinued, the Trustee shall mail a notice to the Depository for distribution to the Beneficial Owners stating that the Depository will no longer serve as securities depository, the procedures for obtaining Series 2017 Bonds and the provisions of this Indenture which govern the Series 2017 Bonds, including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payment and other related matters.

When the Book-Entry System is not in effect, all references herein to the Depository shall be of no further force or effect and the Trustee shall, at the expense of the City, issue Series 2017 Bonds directly to the Beneficial Owners.

Section 2.05. Nature of Obligation; Covenant to Charge Base Rentals and Additional Rentals.

(a) The Issuer has leased the Leased Property to the City pursuant to the Lease, and the City is required pursuant thereto to pay Base Rentals in an amount equal to the principal of, and premium, if any, and interest on, the Bonds as they become due and Additional Rentals in connection with the Leased Property and the operation thereof. The Issuer covenants to charge Base Rentals and Additional Rentals under the Lease sufficient in amount for such purposes and to pay any other obligations hereunder which are to be paid from Base Rentals or Additional Rentals. Except to the extent provided in the Lease, neither the State of Tennessee, nor any political subdivision thereof (other than the City) is obligated to pay any Base Rentals, Additional Rentals or the Option Price due to the Issuer for the use and occupancy of the Leased Property.

(b) The Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer, but are special limited obligations payable solely from the Trust Estate. The Bonds shall be and hereby are secured by the Trust Estate which is hereby specifically pledged, hypothecated, assigned and otherwise secured for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Bonds, except as may be otherwise expressly authorized in this Indenture.

NEITHER THE CITY'S OFFICERS AND AGENTS, NOR OFFICERS, TRUSTEES OR AGENTS OF THE ISSUER OR OF THE CITY, NOR ANY PERSONS EXECUTING THE BONDS OR THE LEASE, SHALL BE LIABLE PERSONALLY ON THE BONDS OR THE LEASE OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS OR THE EXECUTION OF THE LEASE.

(c) The Lease provides that, during the term of the Lease, the City will provide adequate funds to make Lease Payments from the Direct Tax pledged to such Lease Payments in an amount sufficient to pay principal and interest on the Bonds in full when due.

(d) Upon payment in full of all Outstanding Bonds issued to acquire, construct and equip the Projects and payment of all other amounts due under this Indenture, title to the Leased Property shall vest in the City. The Trustee hereby agrees to take any and all action deemed necessary or desirable by the Issuer to accomplish the transfer of title to the City under the Lease.

NOTHING CONTAINED HEREIN SHALL BE CONSTRUED AS A DIRECT OBLIGATION OF THE CITY TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE CITY'S OBLIGATIONS ARE LIMITED TO MAKING LEASE PAYMENTS UNDER THE LEASE.

Section 2.06. The Bond Register. The Issuer shall cause to be kept at the designated corporate trust office of the Trustee, as Registration Agent, a register for the registration, exchange and transfer of Bonds (herein called the "Bond Register"). The names and addresses of the owners of the Bonds, the transfers and exchanges of the Bonds and the names and addresses of the transferees of all Bonds shall be registered in the Bond Register.

Section 2.07. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B as to the Series 2017 Bonds and as set forth in a Supplemental Indenture as to Additional Bonds, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bonds shall be valid or become obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee and any such executed certificate upon any such Bonds shall be conclusive evidence that such Bonds have been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds of any Series issued hereunder.

Section 2.08. Form of Bonds and Temporary Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit B as to the Series 2017 Bonds and as set forth in a Supplemental Indenture as to Additional Bonds, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Bonds of any series may be initially issued in temporary form exchangeable for definitive Bonds of the same series when ready for delivery. The temporary Bonds shall be of such denomination or denominations as may be determined by the Issuer, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Issuer issues temporary Bonds, it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same series and maturity of authorized denominations.

Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.09. Transfers and Exchanges of Bonds; Lost, Stolen, Destroyed or Mutilated Bonds.

(a) Subject to the provisions of Section 2.04 hereof relating to the transfer of ownership of Bonds held in the Book-Entry System, the owner of any Bond may transfer such Bond only upon the surrender thereof for cancellation at the principal corporate trust office or such other designated office of the Trustee, except as provided in Section 2.09(d) hereof. Thereupon, the Issuer shall execute in the name of the transferee a new Bond or Bonds in aggregate principal amount equal to the original principal amount of the Bonds so surrendered, the principal amount thereof bearing interest at the same rate or rates as borne by the Bonds so surrendered and of the same Series, designation and maturity as the Bonds so surrendered, and the Trustee shall authenticate and deliver such new Bond or Bonds to such transferee.

(b) The owner of any Bond may at any time surrender such Bond at the principal corporate trust office of the Trustee in exchange for an equal aggregate principal amount of Bonds of the same Series and maturity, and the principal amount thereof bearing interest at the same rate or rates as borne by the Bonds so surrendered, in the form of fully registered Bonds in any authorized denominations.

(c) All Bonds presented or surrendered for transfer or exchange shall be accompanied by a written instrument or instruments of assignment or transfer, in form satisfactory to the Trustee, duly executed by the owner or by such owner's attorney duly authorized in writing. Neither the Issuer nor the Trustee shall be required (i) to issue, register the transfer of or exchange any Bond during the period from the Regular Record Date or the Special Record Date, as the case may be, for an Interest Payment Date to such Interest Payment Date, (ii) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the date of the mailing of a notice of redemption of Bonds selected for redemption under Article VI hereof and ending at the close of business on the day of such mailing or (iii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

(d) If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and disposed of in accordance with Section 2.10 hereof. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer and the Trustee and, if such evidence be satisfactory to both and indemnity as required by Tennessee law and satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner thereof, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof). Any Bond issued under the provisions of this subsection (d) in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the Issuer, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds of the same Series secured by the Indenture. Neither the Issuer nor the Trustee shall be required to treat both the original Series 2017 Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

(e) Upon the issuance of a new Bond pursuant to Section 2.09(a), (b) or (d) hereof, the Trustee may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Trustee, and the Trustee may require the Bondowner requesting such transfer or exchange to pay such transfer fee as the Trustee at the time customarily charges for such service.

Section 2.10. Cancellation of Bonds. All Bonds surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it, and no Bonds shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Indenture. All such cancelled Bonds shall be destroyed by the Trustee, and a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

Section 2.11. Ownership. The Person in whose name any Bond shall be registered shall be deemed and treated as the owner thereof for all purposes of this Indenture and neither the Issuer, the Trustee nor the Registration Agent shall be affected by any notice to the contrary. Payment of or on account of the principal of, and premium, if any, and interest on, the Bonds shall be made only to or upon the order in writing of such registered owner or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid. For the purpose of any request, direction or consent hereunder, the Trustee and the Registration Agent may deem and treat the registered owner of any Bond as the owner and holder thereof without production of such Bond.

Section 2.12. Delivery of the Series 2017 Bonds; Application of Proceeds of Series 2017 Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2017 Bonds to be issued in the aggregate principal amount of \$_____ and deliver them to the Underwriter as may be directed by the Issuer as hereinafter in this Section provided.

Prior to the delivery on original issuance by the Trustee of any of the Series 2017 Bonds, there shall be or have been delivered to the Trustee:

(i) an original duly executed counterpart of this Indenture, the Lease, the Interlocal Agreement, and the Tax Certificate;

(ii) a copy, duly certified by the Secretary of the Issuer, of the resolution adopted and approved by the Board of Directors of the Issuer authorizing the execution and delivery of the Lease, the Interlocal Agreement, the Sublease, and this Indenture and the issuance, sale, execution and delivery of the Series 2017 Bonds and the Purchase Agreement;

(iii) a copy, duly certified by the Secretary of the BOE, of the resolution adopted and approved by the BOE authorizing the execution and delivery of the Interlocal Agreement and the Sublease;

(iv) a copy, duly certified by the City Recorder of the City of the City Resolution;

(v) a request and authorization to the Trustee on behalf of the Issuer and signed by the Chairman and Secretary of the Issuer to authenticate and deliver the Series 2017 Bonds in the aggregate principal amount of \$_____ to the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization equal to the purchase price of the Series 2017 Bonds plus accrued interest (if any) thereon to the date of delivery;

(vi) a written opinion of counsel to the City, addressed to the Trustee, to the Underwriter and to Bond Counsel, as to the legal, valid and binding nature of each of the Lease, the Interlocal Agreement, the Purchase Agreement, and the Sublease as against the City, and such other matters as may be reasonably required by Bond Counsel or the Underwriter;

(vii) a written opinion of counsel to the Issuer, addressed to the Trustee, to the Underwriter and to Bond Counsel, as to the due organization and existence of the Issuer, the legal, valid and binding nature of each of the Indenture, the Lease, and the Interlocal Agreement, as against the Issuer, and such other matters as may be reasonably required by Bond Counsel;

(viii) a written opinion of counsel to the BOE, addressed to the Trustee, to the City, to the Underwriter, and to Bond Counsel, as to the due organization and existence of the Issuer, the legal, valid and binding nature of each of the Interlocal Agreement and the Sublease, as against the Issuer, and such other matters as may be reasonably required by Bond Counsel;

(ix) a written opinion of Bass, Berry & Sims PLC, as Bond Counsel to the City in connection with the issuance of the Series 2017 Bonds by the Issuer, addressed to the Underwriter, the Issuer, the City, and the Trustee, to the effect that interest on the Series 2017 Bonds will not be includable in the federal gross income of the owners thereof for federal income

tax purposes, assuming continuing compliance by the Issuer, the City and the BOE with the their obligations with respect thereto; and

(x) such other agreements, certificates, documents and opinions as are required to be delivered to the Underwriter, each in form and substance-satisfactory to the Trustee, the Underwriter and Bond Counsel and, as to opinions, addressed to the Trustee, to the Underwriter and to Bond Counsel if the Trustee, the Underwriter or the Bond Counsel, respectively, so direct.

(b) A portion of the proceeds of sale of the Series 2017 Bonds shall be paid over to the Trustee and deposited to the credit of the Cost of Issuance Fund and the Construction Fund, each of which is created pursuant to Article IV hereof, as follows:

(i) to the Costs of Issuance Fund, a sum equal to \$ _____; and

(ii) to the Construction Fund, a sum equal to \$ _____.

(c) The remaining portion of the proceeds of the sale of the Series 2017 Bonds, in an amount equal to \$ _____ as payment for the Site and Middle School Project, shall be deposited to the Escrow Agreement, to be applied as required under the Escrow Agreement.

Section 2.13. Additional Bonds.

(a) At any time while there is no Event of Default under this Indenture or the Lease, Additional Bonds may be issued for the purposes set forth in Section 5.02 of the Lease. If it is determined by the City that Additional Bonds should be issued, the City may file with the Issuer and the Trustee an estimate indicating the amount of costs to be incurred for the purposes for which Additional Bonds may be issued.

Thereupon, the Issuer and the City may from time to time agree upon and approve the issuance and delivery of Additional Bonds in such amount as shall be determined by said parties. All Additional Bonds shall be secured by the lien of this Indenture and rank *pari passu* with the Series 2017 Bonds, and, unless provided otherwise in a supplement to this Indenture, shall be in substantially the same form as the Series 2017 Bonds, but shall bear such date or dates, bear such interest rate or rates, have such maturity date or dates, redemption dates and redemption premiums, and be issued at such prices as shall be authorized by resolution of the Issuer and the City and as shall be set forth in a Supplemental Indenture and an amendment to the Lease; *provided, however*, that (a) no such Additional Bonds shall have a maturity date later than the stated term of the Lease, as may be extended, and (b) the Base Rentals and Additional Rentals made by the City under the Lease shall be payable from the same source of funds.

(b) Upon the execution and delivery in each instance of an appropriate Supplemental Indenture and an amendment to the Lease (such supplements to include Base Rentals sufficient to pay principal and interest due on the Additional Bonds), the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, such Additional Bonds and deliver them to the purchasers thereof as may be directed by the Issuer as hereinafter provided in this Section 2.13. Prior to the delivery on original issuance by the Trustee of each Series of such Additional Bonds, there shall be or have been delivered to the Trustee:

(i) a copy, duly certified by the Secretary of the Issuer, of the resolution adopted and approved by the Board of Directors of the Issuer authorizing (i) the execution and delivery of a Supplemental Indenture establishing the terms of the Additional Bonds and an amendment to the Lease, and (ii) the issuance, sale, execution and delivery of such Series of Additional Bonds;

(ii) a copy, duly certified by the City Recorder of the City of the resolution adopted and approved by the City Commission approving the issuance of such Series of Additional Bonds and authorizing the execution and delivery of an amendment to the Lease;

(iii) a request and authorization to the Trustee on behalf of the Issuer and signed by the Chairman and Secretary of the Issuer to authenticate and deliver such Series of Additional Bonds in the aggregate principal amount designated therein to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization equal to the purchase price of such Series of Additional Bonds plus accrued interest (if any) thereon to the date of delivery;

(iv) an original duly executed counterpart of the Supplemental Indenture establishing the terms of the Additional Bonds and a Tax Certificate with respect to such Series of Additional Bonds;

(v) a written opinion of Bond Counsel, addressed to the Trustee, to the effect that the issuance of such Series of Additional Bonds will not adversely affect the tax-exempt status of interest on any Series 2017 Bonds then outstanding;

(vi) an original duly executed counterpart of an amendment to the Lease providing, among other things, for adjusting the Base Rentals payable by the City under Section 4.01(a) thereof;

(vii) a written opinion of counsel to the City, addressed to the Trustee and Bond Counsel, as to the legal, valid and binding nature of the amendment to the Lease as against the City and such other matters as may be reasonably required by Bond Counsel and the purchasers of such Series of Additional Bonds;

(viii) a written opinion of counsel to the Issuer, addressed to the Trustee and Bond Counsel, as to the legal, valid and binding nature of the amendment to the Lease and the Supplemental Indenture as against the Issuer and such other matters as may be reasonably required by Bond Counsel and the purchasers of such Series of Additional Bonds;

(ix) a certificate of the City, stating that as of the date of such delivery no event or condition has happened or existing and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under the Indenture or the Lease; and

(x) such other agreements, certificates, documents and opinions as are required to be delivered to the purchasers of such Series of Additional Bonds, each in form and substance satisfactory to the Trustee and, as to opinions, addressed to the Trustee if the Trustee so directs.

(c) The proceeds of sale of each Series of Additional Bonds shall be deposited by the Trustee in the appropriate funds as provided in the Supplemental Indenture referred to above.

ARTICLE III

GENERAL COVENANTS

Section 3.01. Payment of Bonds. The Issuer hereby covenants to pay promptly the principal of (whether at maturity, by acceleration or call for redemption or otherwise), and premium, if any, and interest on, the Bonds at the places, on the dates and in the manner provided herein and in every Bond issued under this Indenture according to the true intent and meaning thereof, but solely out of the Trust Estate.

Section 3.02. Performance of Issuer's Covenants; Authority. The Issuer shall faithfully observe and perform at all times any and all covenants, conditions and agreements on its part contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its Board of Directors pertaining thereto; *provided, however*, that the liability of the Issuer under any such covenant, condition or agreement for any breach or default by the Issuer thereof or thereunder shall be limited solely to the Trust Estate. The Issuer represents that it is duly authorized under the Constitution and laws of the State of Tennessee, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture, to assign the Lease and to pledge the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken (or if Additional Bonds are issued pursuant to Section 2.13 hereof will be duly taken as provided therein); and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 3.03. Payment of Taxes, Charges, Insurance, etc. Pursuant to Section 7.01 and Section 8.01 of the Lease, the City has agreed to maintain certain insurance and pay all lawful taxes, assessments and charges at any time levied or assessed against or with respect to the Leased Property and the Pledged Revenues, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; *provided, however*, that nothing contained in this Section 3.03 shall require the maintenance of insurance or payment of any such taxes, assessments or charges if the same are not required to be maintained or paid under the provisions of Section 7.01 or 8.01 of the Lease.

Section 3.04. Maintenance and Repair. Pursuant to the provisions of Section 6.01 of the Lease, the City has agreed at its own expense to maintain, manage and operate the Leased Property in good order, condition and repair, and the City may, at its own expense, make from time to time additions, modifications or improvements to the Leased Property under the terms and conditions set forth in Section 9.01 of the Lease.

Section 3.05. Recordation of the Memorandum of Lease. At the expense of the City, the Issuer will cooperate with the City in performing the City's obligation to cause a Memorandum of Lease, and any other related instruments or documents relating to the assignment made by the Issuer under this Indenture to secure the Series 2017 Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the owners of the Series 2017 Bonds and the rights of the Trustee hereunder and shall copy such filings with the Trustee. The Trustee shall have no duty or obligation, express, implied or otherwise, to determine whether such initial recordings and filings are effective. The Trustee will cause continuations of any financing statements initially filed with respect to the Trust Estate described in this Indenture to be at all times filed in such manner and in such places where the initial financing statements were filed in order to continue the perfection of the security interest created by this Indenture in the Trust Estate described herein in accordance with Section 10.13 hereof. To the extent possible under the Uniform Commercial Code or other applicable law as in effect in the jurisdiction in which the Trust Estate is located, the Trustee will maintain the priority of the security interest created in the Trust Estate as a first lien on the Trust Estate. The Trustee will protect, preserve and defend

its interest in the Trust Estate and the security interest of the Trustee therein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all persons. Any fees and expenses incurred by the Trustee pursuant to this Section (other than the fees and expenses incurred in filing continuation statements) will constitute Additional Rentals.

Section 3.06. Inspection of Books. The Issuer covenants and agrees that all books and documents in the possession of the Issuer relating to the Trust Estate, the Leased Property and the Pledged Revenues derived from the Leased Property and the leasing thereof shall at all times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 3.07. Rights under the Lease. The Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the City, including provisions that subsequent to the initial issuance of Series 2017 Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Lease may not be amended, changed, modified, altered or terminated (other than as provided therein) without the concurring written consent of the Trustee, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the City under the Lease.

Section 3.08. Warranty. The Issuer has the right, power and authority to grant a security interest in the Trust Estate to the Trustee for the uses and purposes herein set forth. The Issuer warrants that there is no financing statement or other filed or recorded instrument in which the Issuer is named as, or which the Issuer has signed as, debtor now on file in any public office covering any of the Trust Estate excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein, and that the lien and security interest herein created have been duly perfected and are prior to any other.

Section 3.09. Further Assurances. The Trustee will defend its title to the Trust Estate for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever and the Issuer shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, any supplemental indentures, and any further acts, instruments and transfers as the Trustee may reasonably require for the better assurance, transfer, conveyance, pledge, assignment and confirmation to the Trustee of its interest in the Trust Estate. Any and all interest in property acquired after the date of issuance of the Series 2017 Bonds which is of any kind or nature to become subject to the lien of this Indenture will, without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become subject to the lien of this Indenture as fully and completely as though specifically described in this Indenture, but nothing contained in this sentence will be deemed to modify or change the obligations of the Issuer under this Section. Without limiting the foregoing, but in furtherance of the security interest herein granted in the sums due and to become due under the Lease, the Issuer covenants and agrees that it will notify the City of this Indenture pursuant to Section 11.01(c) of the Lease, and that it will direct the City to make all payments of Lease Payments and other sums due and to become due under the Lease directly to the Trustee or as the Trustee may direct or as may be otherwise provided in the Lease.

Section 3.10. Actions with Respect to Trust Estate. The Issuer will not:

(a) declare a default or exercise the remedies of the lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, waiver, modification or surrender of, the Lease (except as otherwise expressly provided in the Granting Clauses and Articles VIII and IX hereof) or by affirmative act consent to the creation or existence of any lien (other than the security interest and lien of this Indenture) to secure the payment of indebtedness upon the leasehold or other estate created by the Lease or any part of any thereof; or

(b) receive or collect or permit the receipt or collection of any payment under the Lease (other than to the Trustee hereunder) or assign, transfer or hypothecate (other than to the Trustee hereunder) any Lease Payments or other payment then due or to accrue in the future under the Lease in respect of the Leased Property; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Trustee hereunder) its interest in the Leased Property or any part thereof or interest therein or in any amount to be received by it from the disposition of the Leased Property except as provided in the Lease.

Section 3.11. Power of Attorney in Respect of the Lease. The Issuer does hereby irrevocably constitute and appoint the Trustee its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (a) to ask, demand, collect, receive and receipt for any and all rents, income and other sums which are assigned under the Granting Clauses hereof, and (b) without limiting the provisions of the foregoing clause (a) hereof, during the continuance of any Event of Default under this Indenture, to exercise any remedies available under the Lease as fully as the Issuer could itself do, and to perform all other necessary or appropriate acts with respect to any such remedies, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Issuer or otherwise, which the Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Trustee (but only to the extent specifically provided herein) in the Lease and to the Lease Payments under the Lease and other sums and the security intended to be afforded hereby, whether or not the Issuer is in default hereunder.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. Source of Payment of Bonds. The Base Rentals, in the amount set forth on Schedule 1 to the Lease, required to be paid by the City in accordance with Section 4.01(a) of the Lease are to be remitted directly to the Trustee for the account of the Issuer and deposited into the Bond Fund. The Base Rentals are in an amount equal to the principal of, and premium, if any, and interest on, the Bonds and are assigned to the Trustee and pledged to secure the payment of such principal of, and premium, if any, and interest on, the Bonds. Said pledge shall constitute a first and exclusive lien on the Base Rentals for the payment of the principal of, and premium, if any, and interest on, the Bonds in accordance with the terms hereof. Under the Lease, the City additionally agrees to pay Additional Rentals for all additional amounts and other sums at any time due and owing from or required to be paid by or on behalf of the Issuer under the terms of the Bonds or this Indenture or by the City pursuant to the terms of the Lease.

Section 4.02. Creation of Bond Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "The Industrial Development Board of the City of Lakeland, Tennessee – Bond Fund", which shall be used to pay the principal of and interest on the Bonds as herein provided.

Section 4.03. Payments into Bond Fund.

- (a) There shall be deposited into the Bond Fund, as and when received, the following:
 - (i) all accrued interest to be paid from proceeds of the Bonds;
 - (ii) all capitalized interest to be paid from proceeds of the Bonds;

(iii) any amount in the Construction Fund to be paid into the Bond Fund in accordance with Section 4.08 hereof; and

(iv) all Base Rentals received by the Trustee under and pursuant to any of the provisions of the Lease or otherwise and all payments received by the Trustee which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund.

(b) The Issuer hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding, the Issuer will deposit, or cause to be paid to the Trustee for deposit, into the Bond Fund for its account, sufficient sums from the amounts derived from the Lease, but only to the extent provided therein, promptly to meet and pay the principal of, and premium, if any, and interest on, the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues for such purpose from any source other than funds or revenues described above.

Section 4.04. Use of Moneys in Bond Fund.

(a) Except as provided in Section 4.11 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds.

(b) Not later than the fifteenth day of each month in which a Base Rental Payment Date occurs, the Trustee shall prepare and mail a statement of account to the City notifying the City of the amounts of investment earnings and capitalized interest then held in the Bond Fund to be applied as a credit against the City's Base Rentals due on the next succeeding Base Rental Payment Date as provided in Section 4.05 of the Lease and the amount of Base Rentals due on such next succeeding Base Rental Payment Date. There shall be credited against Base Rentals any amount held in the Bond Fund on each Base Rental Payment Date next preceding each respective Interest Payment Date, including: (i) the portion of the proceeds of sale of the Bonds which is deposited in the Bond Fund as accrued interest and as capitalized interest, and (ii) earnings derived from the investment of funds held in the Bond Fund available for such purpose.

(c) The Trustee shall make annual reports to the Issuer and the City of all moneys received and expended by it.

Section 4.05. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund on each Bond Payment Date to pay the principal of and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 4.06. Notice of Nonpayment of Lease Payments. The Trustee shall give written notice as soon as practicable, but in no event later than one (1) Business Day after the applicable Base Rental Payment Date, to the City in the event any Base Rentals or any portion thereof is not paid when due on the applicable Base Rental Payment Date (including for this purpose any grace period provided under the Lease) and shall specify the amount of the Base Rentals not so paid.

Section 4.07. Creation of Construction Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "The Industrial Development Board of the City of Lakeland, Tennessee - Series 2017 Bonds Construction Fund", which shall be expended in accordance with the provisions of the Lease and this Article IV. There shall be deposited to the Construction Fund the proceeds of the Series 2017 Bonds in the amount set forth in Section 2.12(b)(ii) hereof. The Trustee is hereby authorized and directed to disburse funds held in the Construction Fund upon receipt of

a requisition from an Authorized Representative of the BOE, accompanied by supporting invoices in substantially the form attached hereto as Exhibit C to pay the Costs of Construction.

Section 4.08. Construction of the Projects; Delivery of Completion Certificate. Upon the completion of the Projects as determined by the BOE and as evidenced by the filing with the Trustee of the Completion Certificate of an Authorized BOE Representative stating that the Construction of the Projects has been substantially completed, any moneys remaining in the Construction Fund (except any amounts that the City shall have directed the Trustee to retain for any Cost of Construction not then due and payable) shall, in the case of the Construction Fund, without further authorization, be transferred by the Trustee for deposit into the Bond Fund and applied by the Trustee as directed by an Authorized Representative of the City in conformance with the requirements of this Indenture.

Section 4.09. Creation of Costs of Issuance Fund; Disbursements from Costs of Issuance Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "The Industrial Development Board of the City of Lakeland, Tennessee – Series 2017 Bonds Costs of Issuance Fund" which shall be expended to pay Costs of Issuance of the Series 2017 Bonds. The Trustee is hereby authorized and directed to disburse funds held in the Costs of Issuance Fund upon receipt of a requisition from an Authorized Representative of the City in substantially the form attached hereto as Exhibit C, accompanied by supporting invoices and payment information for the Persons to whom payment therefrom is to be made. Any moneys remaining in the Costs of Issuance Fund on December 1, 2018 shall be withdrawn by the Trustee and deposited into the Construction Fund and the Costs of Issuance Fund shall thereupon be closed.

Section 4.10. Creation of Additional Rentals Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "The Industrial Development Board of the City of Lakeland, Tennessee - Additional Rentals Fund", which shall be expended in accordance with the provisions of the Lease and this Article IV. The Trustee is hereby authorized and directed to disburse all funds held in the Additional Rentals Fund as described in Section 4.01 of the Lease.

Section 4.11. Moneys to be Held in Trust; Nonpresentment of Bonds.

(a) All moneys required to be deposited with or paid to the Trustee for account to any fund or account referred to in any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee or the Registration Agent, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

(b) If any Bonds are not presented for payment when due, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the owners thereof, the Trustee shall hold such funds without liability for interest, for the benefit of the owners of such Bonds, who shall be restricted exclusively to such funds for any claim of whatever nature on or with respect to such Bonds. Subject to escheat, unclaimed property, or similar laws, any moneys deposited with and held by the Trustee for the benefit of such claimants, if any, for four years after the date upon which so deposited shall be repaid to the City upon its written demand, and thereupon and thereafter no such claimant shall have any rights to or in respect of such moneys against the Trustee.

Section 4.12. Rebate Fund.

(a) A special trust fund is hereby established with the Trustee and designated as the "Rebate Fund" and within the Rebate Fund. The Trustee is authorized and directed to receive and hold in

the Rebate Fund (i) all payments made by the City pursuant to Section 4.07 of the Lease, and (ii) all earnings on investment of such payments and earnings on reinvestment of such investment earnings.

(b) If directed by the City, on behalf of the Issuer, not later than 60 days after each "computation date" (as defined in the Treasury Regulations relating to Section 148(d) of the Code) the Trustee shall pay to the United States on behalf of the Issuer the amount on deposit in the Rebate Fund with respect to the Series 2017 Bonds and any Additional Bonds.

(c) Moneys and securities held by the Trustee in the Rebate Fund shall not be deemed funds of the Issuer and are not pledged or otherwise subject to any security interest in favor of the Bondholders.

Section 4.13. Repayment to the City. Any amounts remaining in the funds created hereunder after payment or provision for payment in full of the principal of, and premium, if any, and interest on, the Bonds and all other amounts required to be paid hereunder or under the Lease shall be paid immediately to the City.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.01. Permitted Investments. Subject to compliance with the terms and provisions of the Tax Certificate and subject to and in compliance with state law, any moneys held as part of the Bond Fund, the Costs of Issuance Fund and the Construction Fund or any accounts in any thereof or in any other fund or account hereunder shall be invested and reinvested by the Trustee to the extent permitted by law, at the written direction of an Authorized Representative of the City, but only so long as no Event of Default has occurred and is continuing (or by the Trustee after the occurrence and during the continuance of any such Event of Default) in any of the Permitted Investments maturing not later than such times as shall be necessary to provide moneys when needed for payments to be made from each such Fund or other fund or account. Any investment instructions shall be deemed a certification by the City to the Trustee that the referenced investments are Permitted Investments under the Indenture. The Trustee shall not be required to verify receipt of an investment instruction.

All such investments shall at all times be a part of the fund or account (the Bond Fund, the Costs of Issuance Fund, or the Construction Fund, as the case may be) from whence the moneys used to acquire such investments shall have come. All income and profits on such investments, shall be credited to, and all losses thereon shall be charged against, such funds and accounts equal to each fund's or account's respective proportionate contribution thereto. Any such investments shall be made and held by or under the control of the Trustee. Any such investments shall be made by the Trustee in such manner as to assure the availability of moneys to make disbursements from such fund on the anticipated dates of disbursement. The Trustee may make any and all such investments through its trust department or the bond department of any bank or trust company under common control with the Trustee. Notwithstanding anything in this Indenture to the contrary, no investment or use shall be made of any moneys held in any fund or account under this Indenture which would violate the covenant set forth in Section 5.02.

In computing the value of assets in any Fund, investments shall be valued at the fair market value thereof and shall include accrued but unpaid interest on each investment, and all investments (valued as aforesaid) and accrued interest thereon shall be deemed a part of such Funds. Upon the request of the City, the Trustee shall also provide the City with quarterly or other periodic statements showing amounts deposited into and withdrawn from each Fund, the investments made with amounts in each Fund and the investment income received from such investments.

Section 5.02. Arbitrage Covenant. The Issuer and the Trustee jointly and severally covenant and certify to each other and to and for the benefit of the owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with or relating to either the Lease or the Bonds, whether or not such moneys were derived from the proceeds of sale of the Bonds or from any other sources, including payments of Base Rentals under the Lease, will not be used in a manner which will cause either the Lease or the Bonds to be classified as “arbitrage Bonds” within the meaning of Section 148(a) of the Code. Pursuant to such covenant, the Issuer and the Trustee obligate themselves to comply throughout the term of the Lease with the requirements of Section 148 of the Code and any regulations promulgated thereunder. The Issuer and the Trustee hereby agree to comply with the terms and provisions of the Tax Certificate; *provided, however*, that compliance by the Trustee with the written direction of the Issuer and the City in accordance with this Indenture shall be deemed to satisfy its compliance obligations under the Tax Certificate and under the Indenture, including this Section 5.02.

ARTICLE VI

REDEMPTION OF SERIES 2017 BONDS

Section 6.01. Redemption of Series 2017 Bonds. No redemption of any Series 2017 Bond shall be made except to the extent and in the manner expressly permitted by this Indenture.

Section 6.02. Optional Redemption of Series 2017 Bonds. The Series 2017 Bonds maturing March 1, 20__ through March 1, 20__ are not subject to redemption prior to maturity at the option of the Issuer. The Series 2017 Bonds maturing March 1, 20__ and thereafter are subject to redemption prior to maturity, at the option of the Issuer, upon the direction of the City, in whole or in part, on March 1, 20__, and at any time thereafter, at the redemption price of par, plus accrued interest to the date of redemption.

If less than all the Series 2017 Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Commission of the City. If less than all the principal amount of the Series 2017 Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2017 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series 2017 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2017 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 Bonds within the maturity to be redeemed shall be selected by the Trustee by lot or such other random manner as the Trustee in its discretion shall determine.

Section 6.03. Mandatory Sinking Fund Redemption of Series 2017 Bonds. Subject to the credit hereinafter provided, the Series 2017 Bonds maturing March 1, 20__ and March 1, 20__ shall be redeemed on the redemption date set forth below opposite the maturity dates, in an aggregate principal amount equal to the dollar amount set forth below opposite the redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the Series 2017 Bonds, or such Person as shall then be serving as the securities depository for the Series 2017 Bonds, shall determine the interest of each Participant in the Series 2017 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2017 Bonds, the Series 2017 Bonds to be redeemed within a maturity shall be selected by the Trustee by

lot or such other random manner as the Trustee in its discretion shall select. The date of redemption and principal amount of Series 2017 Bonds to be redeemed on said date are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
-----------------------	------------------------	---

***Final Maturity**

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Issuer, by delivery of an Officer's Certificate of the City, may (i) deliver to the Trustee for cancellation Series 2017 Bonds of the maturity to be redeemed on March 1, 20__ and March 1, 20__, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2017 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than any mandatory redemption) and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under this mandatory redemption provision. Each Series 2017 Bond so delivered or previously purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such redemption date and any excess shall be credited on future redemption obligations in chronological order and the principal amount of the Series 2017 Bonds to be redeemed by operation of this mandatory redemption provision shall be accordingly reduced. The City, on behalf of the Issuer, shall on or before the forty-fifth (45th) day next preceding each redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding redemption date.

Section 6.04. Partial Redemption of Bonds. If less than all of the Bonds are called for redemption as provided in Section 6.02, then the portion of any Bond to be redeemed shall be an authorized denomination or any multiple thereof and in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by the minimum authorized denomination. If a portion of a Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the Bondholder upon the surrender thereof. Notwithstanding the foregoing, as long as DTC or a successor Depository is the registered owner of the Bonds it shall select the Bonds for redemption within particular maturities according to its stated procedures.

Section 6.05. Notice of Redemption; Deposit of Moneys.

(a) Notice of call for redemption, whether optional or mandatory, shall be given by the Trustee not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Trustee as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to

effect the redemption with the Trustee no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Trustee to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Trustee shall mail said notices as and when directed by an Authorized Representative of the City pursuant to written instructions (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given to the Trustee at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Trustee). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Trustee for the payment thereof and if notice has been duly provided as set forth herein.

(b) The redemption notice shall contain with respect to each Bond being redeemed, (1) the CUSIP number, (2) the date of issue, (3) the interest rate, (4) the maturity date, and (5) any other descriptive information determined by the Trustee to be needed to identify the Bonds. If a redemption is a Conditional Redemption, the notice shall so state. The Trustee shall also send each notice of redemption at least thirty (30) days before the redemption date to (A) any rating service then rating the Bonds to be redeemed; (B) all of the registered clearing agencies known to the Trustee to be in the business of holding substantial amounts of bonds of a type similar to the Bonds; and (C) one or more national information services that disseminate notices of redemption of bonds such as the Bonds, such services to be identified by the Trustee.

(c) On or before the date fixed for redemption, moneys shall be deposited with the Trustee to pay the principal of, redemption premium, if any, and interest accrued to the redemption date on the Bonds called for redemption. In the case of a Conditional Redemption, the failure of the Issuer or the City to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Section 6.06. Revised Schedule of Base Rentals and Option Price. Upon partial redemption pursuant to Section 6.02 hereof, or the issuance of Additional Bonds pursuant to Section 2.13 hereof, the Issuer shall provide the City and the Trustee with any revised Optional Redemption Date and a revised schedule of Base Rentals and revised Option Price, which schedule shall take into account such redemption or issuance and shall be and become for all purposes thereafter Schedule 1 to the Lease setting forth the Base Rentals.

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Discharge of Lien. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for the unconditional payment made from any source, to or for the Bondowners all principal of, and premium, if any, and interest on, the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer shall not then be in default in any of the other covenants and promises in the Bonds and in this Indenture expressed or implied as to be kept, performed and observed by it or on its part, and if the City shall not then be in default in any of its covenants and promises in the Lease expressed or implied as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then all rights and obligations of the Issuer, the City and the Trustee under this Indenture and the

Lease shall terminate and be of no further force and effect and the Trustee shall cancel and discharge this Indenture and the Lease and execute and deliver to the Issuer such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to the Leased Property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except (a) amounts in the Bond Fund required to be paid to the City pursuant to Section 4.11 hereof or (b) moneys or securities held by the Trustee for the payment of the principal of, or premium, if any, or interest on, the Bonds; *provided, however*, that notwithstanding anything herein to the contrary, any deposit of moneys or Government Obligations (as hereinafter defined) as provided herein shall be accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that such deposit will not cause the Bonds to become "arbitrage bonds" within the meaning of Section 148(a) of the Code.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for the unconditional payment made from any source, to or for the Bondowners a portion of the principal of, and premium, if any, and interest on, the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer shall not then be in default in any of the other covenants and promises in the Bonds and in this Indenture expressed or implied as to be kept, performed and observed by it or on its part, and if the City shall not then be in default in any of its covenants and promises in the Lease expressed or implied as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof in connection with the prepayment of a portion of the Lease and redemption of a portion of the Bonds, then all rights and obligations of the Issuer, the City and the Trustee under this Indenture with respect to such portion of the Bonds or any Series of the Bonds shall terminate and be of no further force and effect and the Trustee shall cancel and discharge this Indenture with respect to such portion of the Bonds or any Series of the Bonds and execute and deliver to the Issuer such instruments in writing as shall be requisite to cancel and discharge the lien hereof with respect to such portion of Bonds or any Series of the Bonds, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture with respect to such portion of Bonds, except (a) amounts in the Bond Fund required to be paid to the City pursuant to Section 4.11 hereof with respect to such portion of Bonds or any Series of the Bonds or (b) moneys or securities held by the Trustee for the payment of the principal of, or premium, if any, or interest on, such portion of the Bonds or any Series of the Bonds; *provided, however*, that notwithstanding anything herein to the contrary, any deposit of moneys or Government Obligations (as hereinafter defined) as provided herein shall be accompanied by an opinion of Bond Counsel addressed to the Trustee to the effect that such deposit will not cause the Bonds to become "arbitrage bonds" within the meaning of Section 148(a) of the Code.

Any Bond shall be deemed to be paid, or any portion thereof shall be deemed to be paid, within the meaning of this Article VII when payment of the principal of, and premium, if any, and interest on, the Bond (or such portion thereof) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust in a separate fund established hereunder or under an escrow agreement and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Obligations (provided that such deposit does not, in the opinion of Bond Counsel, adversely affect excludability from gross income of the owners thereof for federal income tax purposes of interest on any of the Bonds or cause the Lease or any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code), as defined hereinafter in this Article VII, which are not callable at the option of the issuer thereof prior to their maturity and which mature and bear interest in such amounts and at such times as will provide such amounts and at such times as will insure the availability of sufficient moneys to make such payment on and prior to the redemption date or maturity date, as the case may be; provided that (i) proper notice of redemption shall have been previously mailed as provided in Section 6.05 hereof or the Issuer shall have

given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail notice of redemption as provided in Section 6.05 hereof, and (ii) a verification report shall have been filed with the Trustee from an independent certified public accountant as to the sufficiency of the amounts set forth in (1) or (2) above for the payment of principal of, premium, if any, and interest on the Bonds or portion thereof. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of registration and exchange of Bonds and of any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in this Article VII may, at the direction of the Issuer and the City and at the option of the Trustee, upon receipt of an opinion of nationally recognized bond counsel that such action will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof, be invested and reinvested only in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article VII which is not required for the payment of the principal of, or premium, if any, or interest on, the Bonds shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

For the purposes of this Article VII the term "Government Obligations" shall mean direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, the guarantee of which constitutes the full faith and credit obligation of the United States of America.

Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Article VII, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article VII for the payment of principal of, or premium, if any, or interest on, the Bonds shall be applied to and used solely for the payment of the particular Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

ARTICLE VIII

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

Section 8.01. Subordination of Lease to the Indenture. As provided in Section 11.02 of the Lease, the Lease and the City's interest as lessee under the Lease shall at all times be subject to the lien of this Indenture, *provided, however,* that so long as no Event of Default hereunder has occurred and is then continuing the Lease shall remain in full force and effect notwithstanding such subordination, and the City shall not be disturbed by the Issuer or the Trustee in its possession, use and enjoyment of the Leased Property during the term of the Lease or in the enjoyment of its rights under the Lease.

Section 8.02. Release of Site. Reference is made to the provisions of the Lease, including, without limitation, Section 13.01(b) thereof, whereby the Issuer and the City have reserved the right to withdraw certain portions of the Site from the terms of the Lease and the lien hereof upon compliance with the terms and conditions of the Lease. The Trustee shall release from the lien of this Indenture any such portions of the Site upon compliance with the provisions of the Lease and as provided in Section 14.04 hereof.

Section 8.03. Granting or Release of Easements. Reference is made to the provisions of the Lease, including without limitation Section 13.01(c) thereof, whereby the City may grant or release easements and take other action upon compliance with the terms and conditions of the Lease. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights-of-way and other rights and privileges permitted by Section 13.01(c) of the Lease, upon compliance with the provisions of the Lease and as provided in Section 14.04 hereof.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined. The occurrence of any of the following events shall constitute an "Event of Default" under this Indenture:

- (a) Default in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity date thereof, call for redemption (other than a Conditional Redemption) or otherwise; or
- (b) Default in the payment of any interest on any Bond when the same shall become due and payable; or
- (c) The occurrence of any Event of Default as such term is defined in the Lease; or
- (d) Subject to the provisions of Section 9.11 hereof, default in the payment, performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained and the continuance thereof for a period of ninety (90) days after written notice to the Issuer and the City given by the Trustee or to the Trustee, the Issuer and the City by the owners of not less than a majority in aggregate principal amount of Bonds then Outstanding.

Section 9.02. Remedies Upon Default. Upon the occurrence and during the continuance of any Event of Default hereunder, but subject always to Article X hereof, the Trustee shall have all the rights and remedies with respect to the Trust Estate as the Issuer, as lessor, with respect to the Lease Payments and the City under the pertinent provisions of the Lease and the Act and subject to the restrictions and limitations therein provided.

Section 9.03. Other Remedies.

- (a) Upon the occurrence of an Event of Default if indemnified as provided herein, the Trustee may pursue any available remedy by suit at law or equity to enforce the payment of the principal of, and premium, if any, and interest on, the Bonds then outstanding or payment of other sums due hereunder, including, without limitation, mandamus and an action for specific performance of any agreement herein or in the Lease.
- (b) Upon the occurrence of an Event of Default, if requested to do so by the owners of at least 25% in aggregate principal amount of Bonds then outstanding and if indemnified as provided herein, the Trustee shall exercise such one or more of the rights and powers conferred by this Article as the Trustee, upon being advised by counsel, shall deem in the interests of the Bondowners.

Section 9.04. Remedies Not Exclusive. The Trustee shall be entitled to enforce payments and performance of any obligations secured hereby and to exercise all rights and powers under this Indenture or under the Lease or other agreement or any laws now or hereafter in force, notwithstanding some or all of the said obligations secured hereby may now or hereafter be otherwise secured, whether by pledge, lien, assignment or otherwise. Neither the acceptance of this Indenture nor its enforcement whether by court action or other powers herein contained, shall prejudice or in any manner affect the Trustee's right to realize upon or enforce any other security now or hereafter held by the Trustee, it being agreed that the Trustee shall be entitled to enforce this Indenture and any other security now or hereafter held by the Trustee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy herein or by law or in equity provided

or permitted, but each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Indenture or the Lease or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee and the Trustee may pursue inconsistent remedies.

Section 9.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Bond Fund. After payment of costs and expenses of suit, if any, and of all expenses, liabilities and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Trustee or the owner or owners of the Bonds, and of all taxes, assessments or liens superior to the lien of these presents, and of all Additional Rentals subject to the lien hereof owed and of all amounts advanced by the Trustee to protect the Trust Estate or any of its and the Bondowners' rights with respect thereto, all moneys remaining in the Bond Fund shall be applied as follows:

First, to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds;

Second, to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment of such principal, ratably, according to the amount of principal due on such date, to the Persons entitled thereto, without any discrimination or privilege; and

Third, to the extent permitted by law, to the payment to the Persons entitled thereto of the unpaid interest on overdue installments of interest ratably, according to the amounts of such interest due on such date, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Series 2017 Bond until such Series 2017 Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of, and premium, if any, and interest on, all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee and all other amounts due under the Indenture have been paid, any balance remaining in the Bond Fund shall be paid to the City as provided in Section 4.13 hereof.

Section 9.06. Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, and provision of indemnification as provided herein, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 9.07. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit (subject to the provisions of Section 9.05 hereof) of the owners of the then outstanding Bonds.

Section 9.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture at law or in equity and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the City and the Bondowners shall be restored to their former positions and rights hereunder respectively with regard to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.09. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the owners of (1) more than 50% in aggregate principal amount of all Bonds then outstanding in respect of which a default exists in the payment of principal and/or premium, if any, and/or interest and the provision of indemnification as set forth herein, or (2) more than 25% in aggregate principal amount of all Bonds then outstanding in the case of any other Event of Default; *provided, however*, that there shall not be waived (a) any Event of Default in the payment of the principal of any outstanding Bonds or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest (including any interest on overdue principal at the rate provided in Section 2.02(a) hereof) or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the City and the Bondowners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 9.10. Rights and Remedies of Bondowners. No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified, or of which it is deemed to have notice, (b) such default has become an Event of Default and the owners of at least 25% in aggregate principal amount of Bonds then outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such owners have offered to the Trustee indemnity as provided for herein and (d) the Trustee thereafter has failed or refused to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name or in the name of such owners. Such notification, request and offer of indemnity as set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this

Indenture and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the owners of all Bonds then outstanding. Nothing in this Indenture shall, however, affect or impair the right of any Bondowner to enforce, by action at law or in equity, payment of the principal of, and premium, if any, and interest on, any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, and premium, if any, and interest on, each of the Bonds issued hereunder to the respective owners thereof at the time, place, from the source and in the manner expressed herein and in the Bonds.

Section 9.11. Notice of Defaults Under Section 9.01(d); Opportunity of the City to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 9.01(d) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the owners of not less than a majority in aggregate principal amount of all Bonds then outstanding to the Issuer and the City, and the City shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected or if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

ARTICLE X

THE TRUSTEE

The Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Issuer and the respective owners of the Bonds at any time outstanding by their acceptance thereof agree:

Section 10.01. Duties of the Trustee. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. Following an Event of Default, the Trustee is under no obligation to enforce the Indenture or the Lease with respect to which such Event of Default has occurred except as it may be directed pursuant to Section 10.02(i) hereof; *provided, however*, that the Trustee shall continue at all times to perform its customary duties as provided herein.

Section 10.02. Trustee's Liability.

(a) The Trustee shall be responsible only for the performance of such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee and the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such rights and powers vested in it by this Indenture in accordance with the terms of this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent man would exercise or use in the conduct of his own affairs.

(b) In the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, Officer's Certificate, opinion of counsel, certificate,

request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties.

(c) In the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate; *provided, however,* that the Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable.

(d) The Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the owners of the Bonds.

(f) The Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee.

(g) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder or under the Lease unless and until an officer of the Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Trustee shall have received written advice thereof from the owner of any Bond, the Issuer or the City.

(h) Whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture which may involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Indenture, unless and until it is requested in writing so to do by one or more owners of Bonds outstanding hereunder and furnished, from time to time as it may require, with reasonable security and indemnity.

(i) Whether or not an Event of Default shall have occurred, whenever it is provided in this Indenture that the Trustee consent to any act or omission by any Person or that the Trustee exercise its discretion in any manner, the Trustee may (but need not) seek the written acquiescence of the owner or owners of at least a majority in aggregate principal amount of the Bonds then outstanding and, unless written evidence of such acquiescence has been received by the Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion, *provided, however,* the owners of not less than a majority in principal amount of the Bonds from time to time outstanding have the right, upon furnishing to the Trustee such indemnification as the Trustee shall reasonably request, by an instrument in writing delivered to the Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Indenture for the enforcement thereof or of the Bonds; *provided further,* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to owners of Bonds not parties to such direction.

(j) The Bondowners shall not have any right to institute any action or proceedings at law or in equity for the execution and enforcement of the trusts hereby created unless, within sixty (60) days after a direction in writing by the owners of not less than a majority in aggregate principal amount of

the Bonds then outstanding, the Trustee has failed or refused to institute the action on behalf of such Bondowners.

(k) IN NO EVENT SHALL THE TRUSTEE BE LIABLE TO ANY PARTY OR THIRD PARTY FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOSS OF BUSINESS ARISING UNDER OR IN CONNECTION WITH THIS INDENTURE, EVEN IF PREVIOUSLY INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

(l) The Trustee shall not sell, mortgage, transfer, assign or hypothecate its interest herein or in the Pledged Revenues or the Leased Property or any part of any thereof or any interest therein or in any amount to be received by it from the disposition of the Leased Property, except as provided herein with respect to the enforcement of its rights and remedies hereunder.

Section 10.03. No Responsibility of Trustee for Recitals.

(a) The recitals and statements contained herein and in the Bonds shall be taken as the recitals and statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same, nor shall the Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture, or of the Bonds secured hereby, the security hereby or thereby afforded, the interest of the Issuer in the Trust Estate or the descriptions thereof, or the filing or recording or registering of this Indenture or any other document. The Trustee shall not be required to undertake any act or duty to insure or cause to be insured any of the Leased Property or to maintain, repair or otherwise take care of any of the Leased Property.

(c) The Trustee shall not be concerned with or accountable to anyone for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Indenture or the proceeds thereof which shall be released from the lien hereof in accordance with the provisions of this Indenture.

(d) The Trustee shall not be liable to anyone for any delay in the construction of the Projects, or for any default on the part of any supplier or manufacturer thereof, or for any defect in any portion of the Leased Property or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation in respect of the title thereto.

Section 10.04. Compensation and Expenses of Trustee; Indemnification. The Trustee shall be entitled to reasonable compensation for its services hereunder (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and to reimbursement for all reasonable expenses incurred hereunder, and as Registration Agent, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Before taking any action with respect to an Event of Default, at the request or direction of any Bondholder, the Trustee may require that a satisfactory indemnity bond be furnished by the Holders of the Bonds (or other Person acceptable to the Trustee) for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee, by reason of any action so taken.

Section 10.05. Status of Moneys Received. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law or as provided herein, and may be deposited by the Trustee under such general conditions as may be prescribed by law in the Trustee's general banking department, and the Trustee shall be under no liability for interest on any moneys received by it hereunder. The Trustee and any affiliated corporation may become the owner of any Bond secured hereby and be interested in any financial transaction with the Issuer or the City, or the Trustee may act as depository or otherwise in respect of other securities of the Issuer or the City, all with the same rights which it would have if it were not the Trustee.

Section 10.06. Resignation of Trustee. The Trustee may resign and be discharged from the trusts created hereby by delivering sixty (60) days prior written notice thereof, by Mail, to the Issuer, the City and all owners of Bonds at the time outstanding. Such resignation shall take effect only upon the appointment of a successor Trustee and the acceptance of such appointment by such successor Trustee.

Section 10.07. Removal of Trustee. The Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding or by the City and delivered to the Trustee with a copy to the Issuer and the City, specifying the removal, and such removal shall take effect only upon payment of all the fees and expenses of the Trustee, the appointment of a successor Trustee and the acceptance of such appointment by such successor Trustee.

Section 10.08. Appointment of Successor Trustee. In case at any time the Trustee shall resign or be removed or become incapable of acting, a successor Trustee may be appointed by the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding or by the City by an instrument or instruments in writing and filed with such successor Trustee, the Issuer and the City.

If a successor Trustee shall not be appointed pursuant to this Section within sixty (60) days after a vacancy shall have occurred in the office of the Trustee, the owner of any Bond or such retiring Trustee (unless the retiring Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Trustee.

Section 10.09. Succession of Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed, conveyance or transfer, shall become vested with the title to the Trust Estate, and with all the rights, powers, trusts, duties and obligations of the predecessor Trustee in the trust hereunder, with like effect as if originally named as Trustee herein.

Upon the request of any such successor Trustee, however, the Issuer and the predecessor Trustee shall execute and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee the predecessor Trustee's interest in the Trust Estate and all such rights, powers, trusts, duties and obligations of the predecessor Trustee and the predecessor Trustee shall also assign and deliver to the successor Trustee any Leased Property subject to the lien of this Indenture which may then be in its possession.

Section 10.10. Eligibility of Trustee. Every Trustee so provided hereunder shall be a state or national bank or trust company in good standing organized under the laws of the United States of America or of any state thereof, having a combined capital and surplus aggregating at least \$75,000,000 or having

not less than \$250,000,000 principal amount of bonds under corporate trust management, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms.

In case the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 10.06 hereof.

Section 10.11. Successor Trustee by Merger. Any corporation into which the Trustee may be merged or with which it may be consolidated or converted, or any corporation resulting from any merger, consolidation or conversion to which the Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Trustee as a whole or substantially as a whole, if eligible as provided in Section 10.10 hereof, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything to the contrary contained herein notwithstanding.

Section 10.12. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Issuer and the Trustee jointly shall have power, and shall execute and deliver all instruments, to appoint one or more persons approved by the Trustee, to act as co-trustee, or co-trustees, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such interest in the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable.

Section 10.13. Financing Statements. The Trustee shall cause appropriate continuation statements to be duly filed and recorded in the public offices where the original financing statements were filed. The City has agreed to pay as Additional Rentals under the Lease any fees of the Trustee in connection with the filing of continuation statements and to reimburse the Trustee for any expenses, including reasonable attorney's fees, incurred by the Trustee in connection with such filings.

Section 10.14. Designation and Succession of Registration Agents; Agreement with Registration Agent.

(a) Pursuant to the provisions hereof, the Trustee shall act as the initial Registration Agent for the Bonds. Any bank or trust company with or into which any Registration Agent may be merged or consolidated, or to which the assets and business of such Registration Agent may be sold, shall be deemed the successor of such Registration Agent for the purposes of this Indenture. If the position of Registration Agent shall become vacant for any reason, the Issuer shall appoint a bank or trust company to fill such vacancy at the direction of the City. The City shall have the right at any time to direct the Trustee to appoint or remove any Registration Agent.

(b) The appointment and designation of any Registration Agent, other than the Trustee, shall become effective upon the filing of written notice of such appointment and designation, together with a certified copy of the written acceptance of such appointment and designation, with the Trustee and the Registration Agent. Any Registration Agent, other than the Trustee, shall designate in writing to the Trustee and the Registration Agent its principal office for purposes of this Indenture. Any Registration Agent may at any time resign by giving written notice of resignation to the Trustee, the Registration Agent, the Issuer and the City.

(c) The appointment of a Registration Agent other than the initial appointment of a Registration Agent under this Indenture shall become effective upon the last to occur of the filing of written notice of such appointment, together with a certified copy of a written acceptance of such appointment,

with the Issuer or the giving of a notice by Mail of such appointment to all Bondowners. Any Registration Agent may at any time resign or be removed as provided in Section 10.15 hereof.

(d) The Registration Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in Section 10.02 hereof with respect to the Trustee insofar as such provisions may be applicable.

(e) The Trustee will cause each Registration Agent, other than the Trustee, to execute and deliver to the Trustee an instrument in which such Registration Agent shall agree with the Trustee, subject to the provisions of this Section, that such Registration Agent will:

(1) hold all sums held by it for the payment of principal of, and premium, if any, and interest on, the Bonds, in trust for the benefit of the Bondowners entitled thereto until such sums shall be paid to such Bondowners or shall otherwise be disposed of as herein provided;

(2) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the City and the Trustee at all reasonable times; and

(3) upon the written request of the Trustee, forthwith deliver to the Trustee all sums so held in trust by such Registration Agent.

(f) The Issuer shall cooperate with the Trustee and the City to cause the necessary arrangements to be made and to be thereafter continued whereby funds derived from the sources specified in Sections 4.03 and 4.04 hereof will be made available for the payment when due of the principal of, and premium, if any, and interest on, the Bonds as presented at the designated corporate trust office of the Registration Agent.

Section 10.15. Qualifications of Registration Agent; Resignation; Removal. The Registration Agent shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock and surplus of at least \$75,000,000 or have not less than \$250,000,000 principal amount of bonds under corporate trust management, and authorized by law to perform all the duties imposed upon it by this Indenture. The Registration Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days notice to the Issuer, the Trustee and the City and giving notice by Mail to the Bondowners. The Registration Agent may be removed at any time by the City or the Issuer by an instrument, signed by the City or the Issuer, filed with the Registration Agent and the Trustee.

In the event of the resignation or removal of the Registration Agent, the Registration Agent shall deliver any Bonds and the registration books held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the Issuer, at the direction of the City, shall fail to appoint a Registration Agent hereunder, or in the event that the Registration Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Registration Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Issuer, at the direction of the City, shall not have appointed a successor as Registration Agent, the Trustee shall ipso facto be deemed to be the Registration Agent for all purposes of this Indenture until the appointment by the Issuer of the Registration Agent or successor Registration Agent, as the case may be.

ARTICLE XI

LIMITATIONS OF LIABILITY OF ISSUER

Section 11.01. Limitations of Liability of Issuer. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any officer, trustee, employee or agent of the Issuer, nor of any incorporator, trustee, employee or agent of any successor corporation to the Issuer, 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. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or otherwise, of any such person is hereby expressly waived and released by the Bondowners as a condition to and consideration for the issuance of the Bonds and the execution of this Indenture and the Lease. The Trustee and the Bondowners agree to look solely to the Trust Estate, including the Pledged Revenues, for the payment of said interests or the satisfaction of such liability; *provided, however*, nothing herein contained shall limit, restrict or impair the rights of the Bondowners or the Trustee to exercise all rights and remedies provided under this Indenture or the Lease or otherwise realize upon the Trust Estate; and provided further that the Trustee may join the Issuer and the City and their officers, trustees, agents and employees, in their capacities as officers, trustees, agents and employees of the Issuer or the City, as defendants in any legal action it undertakes to enforce its rights and remedies hereunder.

ARTICLE XII

SUPPLEMENTAL INDENTURES; WAIVERS

Section 12.01. Supplemental Indentures Without Bondowner Consent. The Issuer and the Trustee from time to time and at any time with the prior written consent of the City, but without the consent of or notice to any Bondowners and subject to the restrictions in this Indenture contained, may enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, the Issuer;
- (b) to subject to the lien of this Indenture additional funds hereafter acquired by the Issuer and intended to be subjected to the lien of this Indenture and to correct and amplify the description of any funds subject to the lien of this Indenture;
- (c) to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;
- (d) to cure any ambiguity or cure, correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture or to make such other provisions in regards to matters or questions arising under this Indenture or any supplemental indenture as shall not adversely affect the interest of any Bondowner;
- (e) to comply with any additional requirements necessary to maintain the excludability of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes;

- (f) to authorize the issuance of Additional Bonds; and
- (g) to authorize any change that does not materially adversely affect the rights of any Bondowner;

and the Issuer covenants to perform all requirements of any such supplemental indenture. No restriction or obligation imposed upon the Issuer may, except as otherwise provided in this Indenture, be waived or modified by such supplemental indentures or otherwise.

Section 12.02. Waivers and Consents by Bondowners; Supplemental Indentures with Bondowners' Consent. Upon the prior written waiver or consent of the owners of at least a majority in aggregate principal amount of the Bonds then outstanding (a) the Issuer may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Indenture or any indenture supplemental hereto, or (b) the Issuer and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Indenture or of any indenture supplemental hereto or modifying in any manner the rights and obligations of the owners of the Bonds and the Issuer; provided, that no such waiver or supplemental indenture shall (i) impair or affect the right of any owner to receive payments or prepayments of the principal of, and premium, if any, and interest on, such owner's Bonds, as therein and herein provided, without the consent of such owner, (ii) permit the creation of any lien with respect to any of the Trust Estate, without the consent of the owners of all the Bonds at the time outstanding, (iii) effect the deprivation of the owner of any Bond of the benefit of the lien of this Indenture upon all or any part of the Trust Estate without the consent of such owner, (iv) reduce the aforesaid percentage of the aggregate principal amount of Bonds, the owners of which are required to consent to any such waiver or supplemental indenture pursuant to this Section, without the consent of the owners of all of the Bonds at the time outstanding or (v) modify the rights, duties or immunities of the Trustee without the consent of the Trustee and the owners of all of the Bonds at the time outstanding.

Section 12.03. Notice of Supplemental Indentures. Promptly after the execution by the Issuer and the Trustee of any supplemental indenture or agreement pursuant to the provisions of Section 12.01 or 12.02 hereof, the Trustee shall give written notice, setting forth in general terms the substance of such supplemental indenture, together with a conformed copy thereof, by Mail to each owner of the Bonds. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or agreement.

Section 12.04. Opinion of Counsel Conclusive as to Supplemental Indentures. The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture authorized or permitted by the terms of this Indenture and to make the further agreements and stipulations which may be therein contained, and the Trustee may receive an opinion of counsel selected by the Trustee (which may be counsel for the City or the Issuer) as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article XII complies with the requirements of this Article XII.

ARTICLE XIII

AMENDMENT OF LEASE

Section 13.01. Amendments to Lease Not Requiring Consent of Bondowners. The Issuer and the City may, with the prior written consent of the Trustee, but without the consent of or notice to the Bondowners, consent to any amendment, change or modification of the Lease as may be permitted or required by the provisions of the Lease (including those required by Sections 13.01 and 13.02 thereof) or this Indenture.

Section 13.02. Amendments to Lease Requiring Consent of Bondowners. Except for the amendments, changes or modifications as provided in Section 13.01 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Lease without mailing of notice and the prior written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding given as in this Section provided. If at any time the Issuer and the City shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 12.03 hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondowners.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Successors and Assigns; Parties in Interest. Whenever either of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer or of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not; and, other than the City, the BOE and the Bondholders, no other person, firm or corporation shall have any right, remedy or claim under or by reason of this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the City, the BOE and the Bondholders any legal or equitable right, remedy or claim under or in respect to this Indenture.

Section 14.02. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Indenture shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 14.02 shall be construed to amend or modify the immunities of the Issuer in its individual capacity provided for in Section 11.01 hereof, or to amend or modify any limitations or restrictions on the Trustee or any Bondowner or their respective successors or assigns under Article X hereof.

Section 14.03. Communications. All communications provided for herein shall be in writing. Communications to the Issuer, the Trustee or the City shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when duly mailed by registered or certified mail addressed as follows:

If to the Issuer: The Industrial Development Board of the
 City of Lakeland, Tennessee
 c/o Chairman
 10001 Highway 70
 Lakeland, Tennessee 38002

If to the Trustee: U. S. Bank National Association
 333 Commerce Street, Suite 800

 Nashville, Tennessee 37201

Attention: _____

If to the City: City of Lakeland, Tennessee
c/o City Manager and Finance Director
10001 Highway 70
Lakeland, Tennessee 38002

If to the BOE: Board of Education for the Lakeland School System
5020 Lions Crest Drive
Lakeland, Tennessee 38002
Attention: Superintendent and Chairman

or to the Issuer, the Trustee, the City, or the BOE at such other respective address as the Issuer, the Trustee, the City, or the BOE may designate by notice duly given in accordance with this Section to the other parties. It shall be sufficient service of any notice or other paper on any Bondowner if such notice is given by Mail. In case by reason of the suspension of registered or certified mail service, it shall be impracticable to give notice by registered or certified mail of any event to the City, the BOE or the Issuer when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice.

Section 14.04. Release The Trustee shall release this Indenture and the lien and security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all the principal of and interest and premium, if any, on the Bonds and all additional amounts and other sums at any time due and owing from or required to be paid by or on behalf of the Issuer under the terms of the Bonds or this Indenture or by the City pursuant to the terms of the Lease have been fully paid or discharged.

Section 14.05. Counterparts. This Indenture may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Indenture.

Section 14.06. Governing Law. This Indenture and the Bonds shall be construed in accordance with and governed by the laws of the State of Tennessee, including but not limited to the Act.

Section 14.07. Headings. Any headings or captions preceding the text of the several Articles, Sections and Subsections hereof are intended solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

Section 14.08. Consents, etc., of Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent documents of similar tenor and may be executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certification of any officer in any jurisdiction who by law has power to take acknowledgments within

such jurisdiction that the Person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

For all purposes of this Indenture and of the proceedings for the enforcement hereof, such Person shall be deemed to continue to be the owner of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 14.09. Payments Due on Other Than Business Days. In any case where the date of maturity of principal of the Bonds or an Interest Payment Date, or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of interest, principal or premium, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity, Interest Payment Date or the date fixed for redemption, as the case may be, and no interest shall accrue for the period after such date.

Section 14.10. Action by the City and by the BOE. Whenever it is herein provided or permitted for any action to be taken by the City or by the BOE, such action may be taken by an Authorized City Representative or an Authorized BOE Representative unless the context clearly indicates otherwise.

Signatures on following page

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be duly executed by its officers thereunto duly authorized, and U.S. Bank National Association, in evidence of its acceptance of the trusts hereby created, has caused this Indenture to be executed on its behalf by an _____, all as of the day and year first above written.

ISSUER:

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE

By: _____
Chairman

ATTEST:

Secretary

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

Before the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared _____ and _____, with both of whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the Chairman and Secretary, respectively, of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE, one of the within named bargainors, a Tennessee public nonprofit corporation, and that they, as such Chairman and Secretary, being authorized so to do, executed the forgoing instrument for the purpose therein contained by subscribing thereto the name of said corporation by themselves as such Chairman and Secretary, respectively.

WITNESS my hand and official seal at office in Lakeland, Tennessee, this ___ day of December, 2017.

Notary Public

My Commission expires:

STATE OF TENNESSEE)
)
COUNTY OF SHELBY)

Before me the undersigned, a Notary Public within and for the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who upon her oath acknowledged him/herself to be an _____ of U.S. Bank National Association, a national banking association, one of the within named bargainors, and that he/she, as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained by subscribing thereto the name of said national association by _____ as such _____.

WITNESS my hand and official seal at office in _____, Tennessee, this ____ day of December, 2017.

Notary Public

My Commission Expires:

EXHIBIT A
Description of Site

EXHIBIT B

[FORM OF SERIES 2017 BOND]

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE
PUBLIC IMPROVEMENT BOND, SERIES 2017
(CITY OF LAKELAND SCHOOL PROJECT)

Interest Rate:
%

Maturity Date:
March 1, _____

Dated Date:
December __, 2017

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS that The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer"), acting as a public corporation of the State of Tennessee, for value received, hereby promises to pay, but only from the Trust Estate as provided in the Indenture (hereinafter defined), to the registered owner identified hereon, or registered assigns, on the maturity date specified hereon, upon presentation and surrender hereof, the principal amount specified hereon (the "Principal Amount"), and in like manner to pay to the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the Interest Payment Date (as defined in the Indenture) next preceding the date of registration and authentication hereof, unless this Series 2017 Bond is registered and authenticated as of an Interest Payment Date, in which event the Principal Amount shall bear interest from such Interest Payment Date, or unless this Series 2017 Bond is registered and authenticated prior to the first Interest Payment Date, in which event the Principal Amount shall bear interest from the dated date specified above (the "Dated Date"), or unless, as shown by the records of the Trustee (hereinafter defined), interest on the Series 2017 Bonds is in default, in which event the Principal Amount shall bear interest from the date to which such interest has been paid in full, or unless no interest has been paid on this Series 2017 Bond, in which event the Principal Amount shall bear interest from the Dated Date, at the rate specified hereon (calculated on the basis of a year of 360 days consisting of twelve 30-day months) on September 1, 2018 and semiannually thereafter on March 1 and September 1 of each year until payment in full of the Principal Amount, except as the provisions set forth in the Indenture with respect to redemption prior to maturity may become applicable hereto. The principal of and premium, if any, on this Series 2017 Bond shall be payable at the designated corporate trust office of the Trustee in Nashville, Tennessee, or at such other office designated by U.S. Bank National Association, as the trustee (the "Trustee"), or at the designated corporate trust office of its successor, upon presentation and surrender hereof, and the interest on this Series 2017 Bond shall be paid to the person in whose name this Series 2017 Bond is registered (the "registered owner") in the registration books of the Issuer maintained by the Trustee (the "Bond Register") as of the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Regular Record Date") and shall be paid by check or draft drawn on the Trustee or its successor and mailed on the Interest Payment Date to the registered owner hereof at the address on the Bond Register or at such other address as is furnished to the Trustee in writing by the registered owner hereof prior to the Regular Record Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the close of business on the Regular Record Date and

shall be payable to the person who is the registered owner hereof as of the close of business on a Special Record Date (as defined in the Indenture) for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owner hereof not less than ten days prior thereto. The principal of, and premium, if any, and interest on, the Series 2017 Bonds shall be paid in lawful money of the United States of America.

Except as otherwise provided herein or in the Indenture, this Series 2017 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2017 Bonds of the series of which this Series 2017 Bond is one. One Series 2017 Bond for each maturity of the Series 2017 Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Series 2017 Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Indenture, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2017 Bonds, the Issuer and the Trustee shall treat Cede & Co., as the only owner of the Series 2017 Bonds for all purposes under the Indenture, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Series 2017 Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, interest, and redemption premium, if any, with respect to the Series 2017 Bonds, so long as DTC is the only owner of the Series 2017 Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Indenture. Neither the Issuer nor the Trustee shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Series 2017 Bonds or (2) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2017 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2017 Bonds, the Issuer may discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Trustee to authenticate and deliver replacement Series 2017 Bonds in the form of fully registered Series 2017 Bonds to each Beneficial Owner. Neither the Issuer nor the Trustee shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Series 2017 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, and interest on the Series 2017 Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Series 2017 Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

EXCEPT FOR THE SECURITY PROVIDED BY THE INDENTURE, THIS SERIES 2017 BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL BE PAYABLE SOLELY OUT OF PAYMENTS RECEIVED BY THE TRUSTEE (AS ASSIGNEE OF THE ISSUER) UNDER THE LEASE. THE ISSUER HAS SECURED THIS SERIES 2017 BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON BY THE INDENTURE, PURSUANT TO WHICH THE MONEYS IN CERTAIN FUNDS AND ACCOUNTS CREATED THEREBY ARE PLEDGED TO THE PAYMENT OF THIS SERIES 2017 AND THE PREMIUM, IF ANY, AND INTEREST HEREON, TOGETHER WITH ALL OTHER SECURITY PROVIDED BY THE INDENTURE.

This Series 2017 Bond is one of the Series 2017 Bonds (the "Series 2017 Bonds"), limited in aggregate principal amount to \$ _____ issued under and by virtue of the Constitution and laws of the State of Tennessee, including Title 7, Chapter 53, Tennessee Code Annotated, as amended (the "Act") and under and pursuant to, and equally and ratably with said other Series 2017 Bonds secured by, the Indenture of Trust dated as of December 1, 2017 (the "Indenture") between the Issuer and the Trustee for the purpose of acquiring, constructing and equipping certain projects as permitted by the Act and leasing such projects on a site (collectively, the "Leased Property") to the City of Lakeland, Tennessee (the "City") pursuant to a Lease Agreement, dated as of December 1, 2017 (the "Lease") between the Issuer and the City. Under the terms of the Lease, the City has agreed to make rental payments in an amount equal to the principal of, premium, if any, and interest on the Series 2017 Bonds (the "Base Rentals") and certain other payments due under the Indenture. Pursuant to the authority of Section 7-53-311 of the Act, the Lease and a resolution adopted by the Board of Commissioners of the City on December 5, 2017 (the "City Resolution"), the City has pledged to pay amounts due under the Lease from the proceeds of a direct annual tax levied and collected by the City pursuant to the Act and the City Resolution in an amount sufficient with other available moneys of the City to make such payments.

The Series 2017 Bonds are payable solely from (i) Base Rentals, and (ii) certain funds held by the Trustee under the Indenture (collectively, the "Pledged Revenues"). The Base Rentals and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture. No person executing the Series 2017 Bonds or the Lease shall be subject to personal liability or accountability by reason of the issuance of the Series 2017 Bonds or the execution of the Lease.

The term of the Lease may be terminated in the event that the City shall exercise its option to purchase the Leased Property by making payment of the Option Price (as defined in the Lease) as provided in the Lease. In the event that the City shall pay the Option Price, the proceeds thereof are required to be used to redeem principal of the Series 2017 Bonds then outstanding in whole and interest thereon to the redemption date and premium (if any) thereon.

As provided in the Indenture, the Issuer may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and, if issued, such Additional Bonds will rank pari passu with the Series 2017 Bonds. Pursuant to the Indenture and except as therein expressly provided, the Issuer has assigned and pledged to the Trustee for the benefit of the owners of the Series 2017 Bonds all of its right, title and interest in and to the Lease and the Pledged Revenues. Copies of the Indenture and the Lease are on file at the designated corporate trust office of the Trustee in Nashville, Tennessee, and reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the owners of the Series 2017 Bonds, a description of the pledges and covenants securing the Series 2017 Bonds, the nature, extent and manner of enforcement of such pledges, the rights with respect thereto, the issuance of Additional Bonds and the other terms and conditions upon which the Series 2017 Bonds are or may be issued and secured, to all of the provisions of which the owner hereof, by the acceptance of this Series 2017 Bond, does hereby assent and agree.

The Series 2017 Bonds are issuable solely as fully registered book-entry Series 2017 Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof.

This Series 2017 Bond is transferable, as provided in the Indenture, only upon the Bond Register, by the registered owner hereof in person or by such owner's attorney duly authorized in writing upon surrender of this Series 2017 Bond to the Trustee together with a duly executed written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney. Upon such transfer a new Series 2017 Bond or Series 2017 Bonds of the same aggregate principal amount and Series, designation, maturity and interest rate as the surrendered Series 2017 Bond will be issued to the transferee in exchange therefor, all subject to the terms and conditions set forth in the Indenture. The Issuer,

the Trustee and any paying agent and registrar may deem and treat the person in whose name this Series 2017 Bond is registered as the absolute owner hereof, whether or not this Series 2017 Bond is overdue, for the purpose of receiving payment of or on account of principal or redemption price hereof and interest due hereon and for all other purposes, and neither the Issuer, the Trustee nor any paying agent and registrar shall be affected by any notice to the contrary.

The Series 2017 Bonds maturing March 1, 20__ through March 1, 20__ are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing March 1, 20__ and thereafter are subject to redemption prior to maturity, at the option of the Issuer, upon the direction of the City, in whole or in part, at any time on or after March 1, 20__, at the redemption price of par, plus accrued interest to the date of redemption.

If less than all the Series 2017 Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Commission of the City. If less than all the principal amount of the Series 2017 Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2017 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series 2017 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2017 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 Bonds within the maturity to be redeemed shall be selected by the Trustee by lot or such other random manner as the Trustee in its discretion shall determine.

Subject to the credit hereinafter provided, the Series 2017 Bonds maturing March 1, 20__ and March 1, 20__ shall be redeemed on the redemption dates set forth below opposite the maturity dates, in an aggregate principal amount equal to the dollar amount set forth below opposite the redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the Series 2017 Bonds, or such Person as shall then be serving as the securities depository for the Series 2017 Bonds, shall determine the interest of each Participant in the Series 2017 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2017 Bonds, the Series 2017 Bonds to be redeemed within a maturity shall be selected by the Trustee by lot or such other random manner as the Trustee in its discretion shall select. The date of redemption and principal amount of Series 2017 Bonds to be redeemed on said date are as follows:

Final Maturity	Redemption Date	<u>Principal Amount of Series 2017 Bonds to be Redeemed</u>
-----------------------	------------------------	--

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Issuer, by an Officer's Certificate of the City, may (i) deliver to the Trustee for cancellation Series 2017 Bonds of the maturity to be redeemed on March 1, 20__ and March 1, 20__, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2017 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than any mandatory redemption) and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under this mandatory redemption provision. Each Series 2017 Bond so delivered or previously purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such redemption date and any excess shall be credited on future redemption obligations in chronological order and the principal amount of the Series 2017 Bonds to be redeemed by operation of this mandatory redemption provision shall be accordingly reduced. The City, on behalf of the Issuer, shall on or before the forty-fifth (45th) day next preceding each redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding redemption date.

Notice of call for redemption, whether optional or mandatory, shall be given by the Trustee not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2017 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond Register as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Series 2017 Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Series 2017 Bonds, all redemption notices shall be mailed by the Trustee to DTC, or such successor Depository, as the registered owner of the Series 2017 Bonds, as and when above provided, and neither the Issuer, the City, nor the Trustee shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2017 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Trustee for the payment thereof and if notice has been duly provided as set forth in the Indenture.

Upon the occurrence of an Event of Default, the Trustee, upon receipt of satisfactory evidence of indemnity for its costs and expenses, as provided in the Indenture, shall exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture; or to take any action at law or in equity (including an action for a writ of mandamus) deemed necessary or desirable to enforce its and the Bondowner's rights with respect to the Leased Property, and the City's covenants under the Lease, including the covenant to levy direct annual taxes to the extent necessary as provided in the Act. All moneys then held in any fund or account under the Indenture shall be held by the Trustee for the benefit of the owners of the Series 2017 Bonds, except as otherwise provided in the Indenture. The Trustee may waive an Event of Default under certain circumstances as provided in the Lease and the Indenture.

The owner of this Series 2017 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Any consent or request by the registered owner of this Series 2017 Bond shall be conclusive and binding upon such registered owner and upon all future registered owners of this Series 2017 Bond and on any Series 2017 Bond issued upon the transfer or exchange of this Series 2017 Bond whether or not notation of such consent or request is made upon this Series 2017 Bond.

This Series 2017 Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on this Series 2017 Bond during the period the Series 2017 Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of this Series 2017 Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Series 2017 Bond is issued with the intent that the laws of the State of Tennessee shall govern its legality, validity, enforceability and construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State of Tennessee and by the Act and the Indenture to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Series 2017 Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the Series 2017 Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Series 2017 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, The Industrial Development Board of the City of Lakeland, Tennessee, has caused this Series 2017 Bond to be signed in its name and on its behalf by its Chairman and attested by its Secretary as of the Dated Date.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LAKELAND, TENNESSEE

Attest:

By: _____
Chairman

Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Series 2017 Bond is one of the Series 2017 Bonds of the issue described in the within-mentioned Indenture and is one of the Public Facility Bonds, Series 2017 (City of Lakeland School Project) of The Industrial Development Board of the City of Lakeland, Tennessee.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Date of registration and authentication: _____

Trustee:

U.S. Bank National Association
Nashville, Tennessee

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is

_____, [Please insert Social Security or Federal Identification Number of Assignee _____] the within Bond of The Industrial Development Board of the City of Lakeland, Tennessee and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Series 2017 Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2017 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

EXHIBIT C
REQUISITION

§ _____
Public Facility Bonds, Series 2017 (City of Lakeland School Project)
of The Industrial Development Board of the City of Lakeland, Tennessee

REQUISITION NO. ____

The undersigned, being an Authorized BOE [City] Representative within the meaning of that term as set forth in the Indenture of Trust, dated as of December 1, 2017, by and between The Industrial Development Board of the City of Lakeland, Tennessee and U.S. Bank National Association, as trustee, submits this Requisition as agent of the Issuer pursuant to Section 4.07 of the Indenture, as follows:

1. Disbursement is requested of \$ _____ to pay the attached invoices or to reimburse the BOE and or the City for payment of the attached invoices.

2. All amounts advanced hereunder will be used to pay [Costs of Construction] [Costs of Issuance], as defined in the Indenture.

3. The amounts requested hereunder have not been the subject of a previous request for disbursement of funds.

4. The subject of this request is a proper Costs of the Construction [Costs of Issuance], as described in the Indenture.

5. The amount requested should be wired to:

Bank: _____
ABA Number: _____
Account Name: _____
Account Number: _____

It is understood that your duties will be discharged with respect to the disbursement requested hereunder if payment is made as provided herein.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand, this ____ day of _____, _____.

Board of Education for the Lakeland School System
[City of Lakeland, Tennessee
]
Name: _____
Title: _____]

After execution, fax the Requisition and Invoices as follows:

To the Trustee:
U.S. Bank National Association
Corporate Trust Department
Attn: _____
() ____ - ____ (Office)
() ____ - ____ FAX)

BOND COUNSEL ENGAGEMENT LETTER

[Letterhead of Bass, Berry & Sims PLC]

City of Lakeland, Tennessee
Lakeland, Tennessee
Attention: Wyatt Bunker, Mayor

Re: Issuance of Not to Exceed \$60,000,000 in Aggregate Principal Amount of The Industrial Development Board of the City of Lakeland, Tennessee –Public Improvement Bonds, Series 2017 (City of Lakeland School Project).

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the City of Lakeland, Tennessee (the "Municipality") in connection with the issuance of the above-referenced bonds (the "Bonds") of The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer"). We understand that the Bonds are being issued by the Issuer for the purposes of providing funds necessary to finance the construction, equipping and acquisition of certain school projects within the Municipality and to pay the costs incident to the sale and issuance of the Bonds. We further understand that the Municipality will lease the above-described school projects from the Issuer and pay certain amounts to the Issuer pursuant to the lease for payment of debt service on the Bonds and that the Municipality will sublease the projects to the Board of Education for the Lakeland School System (the "BOE"). It is anticipated that the Bonds will be sold at negotiated sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.
- (2) Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.
- (3) Assist the Municipality in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any required blue-sky filings.
- (4) Review legal issues relating to the structure of the Bonds; and
- (5) Prepare those sections of the official statement to be disseminated in connection with the sale of the Bonds involving the description of (i) federal law pertinent to the validity of the Bonds and the tax law treatment thereon, (ii) the terms of the Bonds and (iii) our Bond Opinion.



Our Bond Opinion will be addressed to the Municipality, the Issuer, the purchaser of the Bonds and the trustee for the trust indenture under which the Bonds will be issued, and our Bond Opinion will be delivered by us on the date the Bonds are exchanged for its purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer, the Municipality, and the BOE with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Municipality to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- a.
 - 1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds other than as described in (5) above, or
 - 2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or
 - 3) Rendering advice that the official statement or other disclosure documents
 - i) Do not contain any untrue statement of a material fact or
 - ii) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- c. Preparing blue sky or investment surveys with respect to the Bonds.
- d. Drafting state constitutional or legislative amendments.
- e. Pursuing test cases or other litigation, (such as contested validation proceedings) except as set forth above.
- f. Making an investigation or expressing any view as to the creditworthiness of the Municipality or the Bonds.
- g. Except for defending our Bond Opinion, representing the Municipality in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- h. After Closing, providing continuing advice to the Municipality or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to

\$ _____
Public Improvement Bonds, Series 2017
(City of Lakeland School Project)

BOND PURCHASE AGREEMENT

December __, 2017

The Industrial Development Board of
the City of Lakeland, Tennessee
10001 Highway 70
Lakeland, Tennessee 38002

City of Lakeland, Tennessee
10001 Highway 70
Lakeland, Tennessee 38002

Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and as representative (the "Representative") of Raymond James & Associates, Inc. and Piper Jaffray & Co. (collectively, with the Representative, the "Underwriters") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with The Industrial Development Board of the City of Lakeland, Tennessee, a public corporation duly organized and validly existing under and pursuant to the laws of the State of Tennessee (the "Issuer"), and the City of Lakeland, Tennessee (the "Municipality"), whereby the Underwriters will purchase and the Issuer will sell the Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Issuer and the Municipality at or before 5:00 P.M., Central Time, on the date hereof. If the Issuer and the Municipality accept this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind the Issuer, the Municipality and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the Chair of the Issuer and the Mayor of the Municipality at any time before the Issuer and the Municipality accept this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the following bonds: \$ _____ Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Bonds"), at the purchase price of \$ _____, representing the aggregate principal amount of the Bonds, less an Underwriter's discount of \$ _____ [plus net original issue premium of \$ _____/less net original discount of \$ _____]. The Underwriters intend to make an initial bona fide public offering of the Bonds at a price or prices described in Schedule I hereto;



provided, however, the Underwriters reserve the right to change such initial public offering price or prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters, at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 4 hereof). The Issuer and the Municipality acknowledge that the Underwriters, without regard to priority, may allocate the Bonds between customer orders and orders that could be considered from "related accounts" for the purposes of Rule G-11 of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer and the Municipality hereby agree to the Underwriters' allocation of the Bonds to the orders that the Underwriters receive during the order period for the Bonds regardless of priority between customer accounts and those accounts that could be considered "related accounts."

The Issuer and the Municipality acknowledge and agree that: (i) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriters and the Underwriters have financial and other interests that differ from those of the Issuer; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer or to the Municipality and have not assumed any advisory or fiduciary responsibility to the Issuer or to the Municipality with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer or to the Municipality on other matters); (iv) the only obligations the Underwriters have to the Issuer and to the Municipality with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Issuer and the Municipality have consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to Sections 7-53-101, et seq., Tennessee Code Annotated, as amended (the "Act") and a resolution adopted by the Board of Directors (the "Directors") of the Issuer on December 5, 2017 (the "Authorizing Resolution"). The Bonds shall be dated the date of delivery. The Bonds shall be issued and secured under and pursuant to an Indenture of Trust, dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), whereby the Issuer grants the Trustee a security interest in certain "Pledged Revenues," which include the "Base Rentals" payable by the Municipality pursuant to a Lease Agreement, dated as of December 1, 2017 (the "Lease"), between the Issuer and the Municipality. The Municipality will pay amounts due under the Lease from legally available funds of the Municipality including, without limitation, the proceeds of a direct annual tax levied by the Municipality pursuant to the authority provided by Section 7-53-311 of the Act.

The proceeds of the sale of the Bonds will be used (i) acquire a parcel of land (the "Site") in the Municipality and a middle school located on the Site and to construct and equip a high school on the Site (such schools being referred to collectively as the "Projects"), and (ii) to pay certain costs

of issuance associated with the Bonds. The Projects and the Site (collectively, the "Leased Property") will be leased by the Issuer to the Municipality pursuant to the Lease and will be subleased from the Municipality to the Board of Education for the Lakeland School System (the "Lakeland School System") pursuant to a Sublease Agreement, dated as of December 1, 2017 (the "Sublease"), between the Municipality and the Lakeland School System. Pursuant to an Interlocal Cooperation Agreement, dated as of December __, 2017 (the "Interlocal Agreement"), by and among the Issuer, the Municipality and the Lakeland School System, the Lakeland School System is designated as agent of the Issuer for the purpose of overseeing and managing the development, acquisition, construction and equipping of the Projects.

The portion of the proceeds of the sale of the Bonds used by the Issuer to acquire the Site and the middle school portion of the Projects will be deposited with U.S. Bank National Association, as agent (the "Escrow Agent"), under a Refunding Escrow Agreement, dated as of December 1, 2017 (the "Escrow Agreement"), between the Municipality and the Escrow Agent, and used by the Municipality to defease its outstanding General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015, maturing March 1, 2019 and thereafter (the "Notes"), the proceeds of which were used by the Municipality to finance the middle school.

The Bonds will be secured under the provisions of the Act and the Indenture. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The authorized denominations, record dates, interest payment dates, sinking fund payment dates, if any, and other details and particulars of the Bonds shall be as described in the Indenture and the Official Statement (as defined below) of the Issuer.

3. Delivery of the Official Statement and Other Documents.

(a) The Issuer and the Municipality have approved the Preliminary Official Statement, and the Issuer has delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated December [], 2017, which, including the cover page and all appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer and the Municipality that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. The Issuer and the Municipality deem the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than two (2) business days before the Closing Date (as defined herein), the Issuer shall deliver to the Underwriters a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, the Municipality, Bond Counsel, Disclosure Counsel and the Representative, is referred to herein as the "Official Statement") and such additional conformed

copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the MSRB and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer and by the Municipality by an authorized official of the Municipality. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Issuer hereby agrees to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC") including in a word-searchable pdf format including any amendments thereto. The Issuer and the Municipality hereby ratify, confirm and consent to and approve the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorize and consent to the use by the Underwriters of the Official Statement and the Indenture in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the Municipality will undertake, pursuant to the Continuing Disclosure Certificate, dated as of December [], 2017 (the "Disclosure Agreement"), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

4. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at closing of the transaction contemplated herein (the "Closing") an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit A, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor, PFM Financial Advisors LLC, and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) [Except for the maturities set forth in Schedule I attached hereto,] the Issuer represents that it will treat the first price at which 10% of each maturity of the Bonds (the "10% Test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). [If, as of the date hereof, the 10% Test has not been satisfied as to any maturity of the Bonds for which the Issuer has elected to utilize the 10% Test, the Representative agrees to promptly report to the

Issuer the prices at which Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the Bonds of that maturity or maturities or the Closing Date.]]

(c) [(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) [(c)][(d)] The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Bonds of that maturity, and

(2) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity and (B) comply with the hold-the-

offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) ~~[(d)]~~[(e)] The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

5. Representations of the Issuer. The Issuer represents to and agrees with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriters pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Bonds, the Lease Agreement and the Interlocal Agreement (such documents, together with the Sublease, the Escrow Agreement and the Disclosure Agreement, are referred to herein collectively as the "Legal Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) The Authorizing Resolution, approving and authorizing the execution and delivery by the Issuer of the Legal Documents to which it is a party and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Directors of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Indenture and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents to which it is a party. Each of the Legal Documents to which it is a party constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State of Tennessee or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Authorizing Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of this Purchase Agreement and the other Legal Documents to which it is a party and compliance with and performance of the Issuer's obligations herein and therein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional

provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Legal Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Authorizing Resolution and the Legal Documents to which it is a party).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the other Legal Documents to which it is a party have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting" concerning the Underwriters, or any of them, as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting" concerning the Underwriters, or any of them, as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at

all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date hereof and the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(m) Except as described in the Preliminary Official Statement and the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and the Official Statement or any of the Legal Documents. The Issuer shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(n) During the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(o) The Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

6. Representations of the Municipality. The Municipality represents to and agrees with the Underwriters that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Lease Agreement, the Sublease, the Interlocal Agreement, the Escrow Agreement and the Disclosure Agreement (the Sublease, the Escrow Agreement and the Disclosure being included in the definition of "Legal Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Legal Documents and the Official Statement.

(b) Pursuant to a resolution (the "City Board Resolution") adopted by the Municipality's Board of Commissioners (the "City Board") on December 5, 2017, the City Board has approved the execution and delivery by the Municipality of the Legal Documents to which it is a party and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement. The City Board Resolution was duly adopted at a meeting of the City Board called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Indenture and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources therein specified.

(d) The Municipality has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Legal Documents to which it is a party. Each of the Legal Documents to which it is a party constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Municipality enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Legal Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Municipality is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State of Tennessee or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the City Board Resolution and the execution and delivery of this Purchase Agreement and the other Legal Documents to which it is a party and compliance with and performance of the Municipality's obligations herein and therein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or

encumbrance of any nature whatsoever upon any of the property or assets of the Municipality (except as described in or contemplated by the Legal Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Municipality is a party or to which the Municipality or any of its property or assets is otherwise subject (including, without limitation, the Act, the City Board Resolution and the Legal Documents to which it is a party).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Municipality of its obligations hereunder and under the other Legal Documents to which it is a party have been obtained; provided, that the Municipality makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any official or officer of the Municipality and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Municipality as to the accuracy of the statements therein made.

(h) Between the date hereof and the time of the Closing, the Municipality shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Municipality or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Municipality as of June 30, 2016 fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Municipality as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Representative, (i) there has not been any materially adverse change in the financial condition of the Municipality or in its operations since June 30, 2016, and (ii) there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Official Statement (excluding therefrom the information under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting" concerning the Underwriters, or any of them, as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting" concerning the Underwriters, or any of

them, as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Municipality shall notify the Representative thereof, and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Municipality shall cause the Issuer to promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Representative.

(n) Except as described in the Preliminary Official Statement and the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Municipality or against any other party of which the Municipality has notice or, to the knowledge of the Municipality, threatened against the Municipality, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Legal Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Municipality or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Municipality or the transactions contemplated by the Preliminary Official Statement and the Official Statement or any of the Legal Documents. The Municipality shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(o) During the last five years, the Municipality has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) The Municipality, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

All representations, warranties and agreements of the Municipality shall remain operative and in full force and effect, regardless of any investigations made by any Underwriter or on the Underwriters' behalf, and shall survive the delivery of the Bonds.

7. Closing. At [] A.M., Central Time, on December [], 2017, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriters, at the offices of Bass, Berry & Sims PLC, Bond Counsel to the Issuer ("Bond Counsel"), 150 Third Avenue South, Suite 2800, Nashville, Tennessee 37201, or at such other place as the Representative and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Representative at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

8. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer and the Municipality contained herein and the performance by the Issuer and the Municipality of their obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations of the Issuer and the Municipality contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Authorizing Resolution, the City Board Resolution and the Legal Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Authorizing Resolution, the Legal Documents to which it is a party, and the Official Statement to be performed at or prior to the Closing, and the Municipality shall perform or have performed all of its obligations required under or specified in the City Board Resolution, the Legal Documents to which it is a party, and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer and the Municipality relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Municipality, the Act, the Authorizing Resolution, the City Board Resolution, the Legal Documents or the Pledged Revenues as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(g) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

(1) The approving opinion(s) of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix C to the Preliminary Official Statement and the Official Statement, and, if not otherwise directly addressed to the Underwriters, a reliance letter with respect thereto addressed to the Underwriters;

(2) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, to the effect that:

(A) This Purchase Agreement has been duly executed and delivered by the Issuer and the Municipality and is a legal, valid and binding obligation of the Issuer and the Municipality enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Tennessee;

(B) The statements contained in the Preliminary Official Statement and the Official Statement on the cover page and in the sections entitled "Summary Statement," "Introduction," "The Series 2017 Bonds" (other than the information concerning DTC and the book-entry system), and "Tax Matters," insofar as such statements expressly summarize certain provisions of the Indenture, the Bonds, and the form and content of such counsel's opinion attached as Appendix C to the Preliminary Official Statement and the Official Statement, are accurate in all material respects; and

- (C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(3) A letter, dated the Closing Date and addressed to the Underwriters, from Bradley Arant Boult Cummings LLP, Disclosure Counsel, to the effect that:

- (A) The Bonds are exempt from the registration requirements of the 1933 Act and the Indenture is exempt from qualification under the Trust Indenture Act; and
- (B) Based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, nothing has come to their attention which would lead them to believe that the Preliminary Official Statement, as of its date and as of the date hereof, did not and does not, and the Official Statement as of its date and all times subsequent thereto during the period up to and including the Closing Date, does not and will not (but excluding therefrom any information in the Preliminary Official Statement relating to DTC and the operation of the book-entry system and any financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed), contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(4) The opinion of the Waller Lansden Dortch & Davis, LLP, Counsel to the Issuer, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State of Tennessee, and has all requisite power and authority thereunder: (a) to adopt the Authorizing Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents to which it is a party; (b) to approve and

authorize the use and distribution of the Preliminary Official Statement and the use, execution and distribution of the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Pledged Revenues as contemplated by the Legal Documents; and (e) to carry on its activities as currently conducted;

- (B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in subparagraph (A) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents to which it is a party;
- (C) The Authorizing Resolution was duly adopted by the Directors of the Issuer at a meeting of the governing body of the Issuer which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Authorizing Resolution;
- (D) The adoption of the Authorizing Resolution, the execution and delivery by the Issuer of the Legal Documents to which it is a party and the compliance with the provisions of the Legal Documents to which it is a party, do not and will not conflict with or violate in any material respect any Tennessee constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;
- (E) The Legal Documents to which it is a party constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Tennessee;
- (F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or

to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Authorizing Resolution or the Legal Documents to which it is a party, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Authorizing Resolution or the Legal Documents to which it is a party;

- (G) The information contained in the Official Statement under the captions "The Issuer" and "Litigation – The Issuer" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State of Tennessee or any local agency of the State of Tennessee, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Legal Documents to which it is a party and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and
- (I) To the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State of Tennessee or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents to which it is a party, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Legal Documents to which it is a party;

(5) The opinion of the Wiseman Bray PLLC, Counsel to the Municipality, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The Municipality has been duly organized and is validly existing under the Constitution and laws of the State of Tennessee, and has all requisite power and authority thereunder: (a) to adopt the City Board Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Legal Documents to which it is a party; (b) to approve and authorize the use and distribution of the Preliminary Official Statement and the use, execution and distribution of the Official Statement; and (c) to carry on its activities as currently conducted;
- (B) The Municipality has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in subparagraph (A) above, and the Municipality has duly authorized the execution and delivery of, and the due performance of its obligations under, the Legal Documents to which it is a party;
- (C) The City Board Resolution was duly adopted by the Board of Commissioners of the Municipality at a meeting of the Board of Commissioners of the Municipality which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the City Board Resolution;
- (D) The adoption of the City Board Resolution, the execution and delivery by the Municipality of the Legal Documents to which it is a party and the compliance with the provisions of the Legal Documents to which it is a party, do not and will not conflict with or violate in any material respect any Tennessee constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Municipality a material breach of or default under any agreement or instrument to which the Municipality is a party or by which it is bound;
- (E) The Legal Documents to which it is a party constitute legal, valid and binding obligations of the Municipality and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy,

insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of Tennessee;

- (F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Municipality in any court in any way affecting the titles of the officials of the Municipality to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the City Board Resolution or the Legal Documents to which it is a party, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Municipality or its authority with respect to the City Board Resolution or the Legal Documents to which it is a party;
- (G) The information contained in the Official Statement under the captions "The Municipality" and "Litigation - The Municipality" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State of Tennessee or any local agency of the State of Tennessee, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Municipality of the Legal Documents to which it is a party and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriters); and
- (I) To the best of such counsel's knowledge after due inquiry, the Municipality is not in breach of or default under any applicable law or administrative regulation of the State of Tennessee or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or

other instrument to which the Municipality is a party or is otherwise subject, which breach or default would materially adversely affect the Municipality's ability to enter into or perform its obligations under the Legal Documents to which it is a party, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Municipality's ability to enter into or perform its obligations under the Legal Documents to which it is a party;

(6) The opinion of Butler Snow, counsel to the Trustee, dated the date of the Closing and addressed to the Underwriters, to the effect that:

- (A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture to which it is a party and to enter into such Indenture;
- (B) The Legal Documents to which it is a party have been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;
- (C) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;
- (D) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under Indenture to which it is a party have been obtained; and
- (E) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to

restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(7) The opinion of Bradley Arant Boult Cummings LLP, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, and covering such matters as the Representative may reasonably request;

(8) A certificate, dated the Closing Date, signed by the Chair or the Vice-Chair of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Legal Documents to which it is a party have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Authorizing Resolution or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date or any Legal Document; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting";

(9) A certificate, dated the Closing Date, signed by the Mayor or the Vice-Mayor of the Municipality to the effect that: (a) the representations concerning the Municipality contained herein are true and correct in all material respects as of the date of the Closing; (b) the Legal Documents to which the Municipality is a party have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the City Board Resolution or any Legal Document to which the Municipality is a party, (iii) in any way contesting the creation, existence or powers of the Municipality or the application of the proceeds of the Bonds, or

(iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Municipality or the transactions contemplated by the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date or any Legal Document to which the Municipality is a party; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions "The Series 2017 Bonds – Book-Entry-Only System" and "Underwriting";

(10) A certificate, dated the Closing Date, signed by the Mayor or the Vice-Mayor of the Municipality, in form and substance satisfactory to the Underwriter, to the effect that (i) the financial statements of the Municipality as of June 30, 2016 fairly represents the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Municipality as of the dates and for the periods therein set forth and (ii) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, 2016 no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Municipality and the Municipality has not incurred since June 30, 2016, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(11) Executed or certified copies of the Indenture;

(12) Executed or certified copies of each other Legal Document;

(13) A Tax Certificate of the Issuer, in form satisfactory to Bond Counsel, executed by such officials of the Issuer as shall be satisfactory to the Representative;

(14) A certified copy of the Authorizing Resolution;

(15) A certified copy of the City Board Resolution;

(16) Evidence satisfactory to the Representative of the assignment to the Bonds by Moody's Investors Service, Inc. of a long-term rating of ["__"];

(17) [The agreed-upon procedures letter of [NAME OF AUDITOR] relating to the information in the Official Statement under the caption "_____."];

(18) A certificate of an authorized officer of the Trustee, as trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United

States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriters; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriters pursuant to the Indenture; (c) when delivered to and paid for by the Underwriters at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriters;

(19) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit:

(20) A copy of the Blue Sky Survey with respect to the Bonds;

(21) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(22) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the

Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

9. Termination. If the Issuer and the Municipality shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Issuer and the Municipality in writing, or by telephone confirmed in writing. The performance by the Issuer and by the Municipality of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the Issuer and to the Municipality, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State of Tennessee shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation (whether or not then introduced) shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall

have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Tennessee or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Tennessee authority, with respect to federal or State of Tennessee taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of Tennessee legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or Tennessee authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage (whether or not then introduced) by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Bonds, other securities of the Issuer or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Issuer, the Municipality, the Act, the Authorizing Resolution, the City Board Resolution, the Legal Documents or the Pledged Revenues as the foregoing matters are described in the Preliminary Official Statement or

the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of any Legal Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any change or any development involving a prospective change in or affecting the business, properties or financial condition of the Municipality, except for changes which the Preliminary Official Statement and the Official Statement disclose are expected to occur; or

(viii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Authorizing Resolution, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(ix) A reduction or withdrawal in the following assigned rating, or, as of the Closing Date, the failure by the following rating agency to assign the following rating, to the Bonds: long-term rating of ["__"] assigned by Moody's Investors Service, Inc.

10. Indemnification.

(a) The Issuer and the Municipality, jointly and severally, shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls any Underwriter within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an "Underwriter Indemnatee"), against any and all losses, claims, damages or liabilities, joint or several, (a) to which any such Underwriter Indemnatee may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or any amendment or supplement to either, or arise out of or are based upon the omission to state therein a material fact which is

necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to statements in the Preliminary Official Statement or the Official Statement under the caption "Underwriting," and (b) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Issuer and the Municipality (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Underwriter Indemnitee in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement shall not be construed as a limitation on any other liability which the Issuer or the Municipality may otherwise have to any Underwriter Indemnitee.

(b) The Underwriters shall indemnify and hold harmless, to the extent permitted by law, the Issuer and the Municipality and their directors, commissioners, officials, officers, members, employees and agents and each person who controls the Issuer or the Municipality within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an "Issuer Indemnitees"), against any and all losses, claims, damages or liabilities, joint or several, to which such Issuer Indemnitee may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such Issuer Indemnitee for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereof, under the caption "UNDERWRITING." This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any Issuer Indemnitee. The liability of any Underwriter obligations under this Section 10 shall not exceed the amount of its *pro rata* compensation under this Purchase Agreement.

(c) For purposes of subsection (a) or (b) above, an "Indemnified Party" means an Underwriter Indemnitee or an Issuer Indemnitee as the context dictates and an "Indemnifying Party" means the Issuer, the Municipality or an Underwriter who is under the obligation to indemnify an Indemnified Party under this Section 10. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than

reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to manage the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and the reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

(d) If the indemnification provided for in this Section 10 is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) or (b) above, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and the Municipality on the one hand and the Underwriters on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) above is not permitted by applicable law in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer and the Municipality on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative benefits received by the Issuer and the Municipality on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and the Municipality or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject to this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall have any obligation under this subsection (d) to contribute an amount in excess of the amount of its *pro rata* compensation under this Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

11. Amendments to Official Statement. During the period commencing on the Closing Date and ending twenty-five (25) days from the end of the underwriting period, the Issuer and the Municipality shall advise the Representative if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the "underwriting period" (as defined in Rule 15c2-12), the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer shall amend or supplement the Official Statement (in form and substance satisfactory to counsel for the Underwriters) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

12. Expenses. All expenses and costs of the Issuer and the Municipality incident to the performance of their obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Legal Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and expenses of the Trustee and its counsel and fees and expenses of counsel to the Issuer, counsel to the Municipality and Bond Counsel, shall be paid by the Issuer from the proceeds of the Bonds or other revenues of the Issuer or the Municipality. The Issuer and the Municipality shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Issuer's and the Municipality's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriter's discount).

13. Use of Documents. The Issuer and the Municipality hereby authorize the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

14. Qualification of Securities. The Issuer and the Municipality will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; provided, however, that neither the Issuer nor the Municipality will be required

to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

15. Notices. Any notice or other communication to be given to the Issuer or the Municipality under this Purchase Agreement may be given by delivering the same in writing to 10001 Highway 70, Lakeland, Tennessee 38002, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to One Bryant Park, 12th Floor, New York, New York 10036.

16. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer and the Municipality and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer and the Municipality contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer and the Municipality pursuant to Sections 10 and 12 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 9 hereof).

17. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS SECTION 5-1401 AND 5-1402).

18. Waiver of Jury Trial. THE ISSUER AND THE MUNICIPALITY HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

19. Miscellaneous.

(a) This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

(Signatures on following page)

Very truly yours,

By:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED, as Representative

By: _____
Title: _____

Approved and Agreed to: _____, 2017

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND,
TENNESSEE, as Issuer

By: _____
Title: _____

CITY OF LAKELAND, TENNESSEE

By: _____
Title: _____

SCHEDULE I

Principal Amounts, Interest Rates and Prices

Optional and Mandatory Redemption

[Note to Banker: If any sealed bid bonds were sold separately from the public offering pursuant to a sealed competitive bid process, those bonds should be excluded from this Certificate.]

EXHIBIT A

§ _____ **Public Improvement Bonds, Series 2017** **(City of Lakeland School Project)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“BofA Merrill Lynch” or the “Representative”), on behalf of itself and Raymond James & Associates, Inc. and Piper Jaffray & Co. (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

The Representative, The Industrial Development Board of the City of Lakeland, Tennessee (the “Issuer”) and the City of Lakeland, Tennessee (the “Municipality”), have executed a Bond Purchase Agreement (the “Bond Purchase Agreement”) in connection with the Bonds on the Sale Date (as defined herein). The Representative has not modified the Bond Purchase Agreement since its execution on the Sale Date.

[Select appropriate provisions below:]

[Alternative 1¹ – All Maturities Use General Rule: *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

1. *Initial Offering Price of the [Bonds] [Hold-the-Offering-Price Maturities]*.

a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

(Footnote continued on next page)

equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Bonds, they would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. BofA Merrill Lynch has not offered or sold any Maturity of the unsold Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. BofA Merrill Lynch has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. *Defined Terms.*

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means The Industrial Development Board of the City of Lakeland, Tennessee.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Municipality with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer and the Municipality from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED, as Representative
for Underwriters

By: _____
Name: _____

Dated: _____ [ISSUE DATE]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

New Issue
Book-Entry Only

Rating: Moody's "___"/Outlook : ___

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Issuer and of the Municipality, interest on the Series 2017 Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2017 Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2017 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

[\$Par Amount]*
THE INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF LAKELAND, TENNESSEE
PUBLIC IMPROVEMENT BONDS, SERIES 2017 (CITY OF LAKELAND SCHOOL PROJECT)

Dated: Date of Delivery

Due: March 1, as shown on inside cover*

This Official Statement relates to the issuance and sale by The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer") of its \$[Par Amount]* Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds") pursuant to an Indenture of Trust (the "Indenture"), dated as of December 1, 2017, between the Issuer and U.S. Bank National Association, Nashville, Tennessee, as trustee (the "Trustee"), in fully registered form, without coupons, and, when issued, the Series 2017 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2017 Bonds. Individual purchases of beneficial ownership interests in the Series 2017 Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants (as defined herein). Interest on the Series 2017 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2018, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Series 2017 Bonds are to be made to purchasers by DTC through the DTC Participants. Purchasers will not receive physical delivery of Series 2017 Bonds purchased by them. See "The Series 2017 Bonds-Book-Entry-Only System."

The Series 2017 Bonds are subject to redemption prior to their stated maturities as more fully set forth herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS – SEE INSIDE COVER

Proceeds of the Series 2017 Bonds will be used (i) to acquire (A) a parcel of land (the "Site") in the City of Lakeland, Tennessee (the "Municipality"), and (B) a middle school located on the Site, and (ii) to construct and equip additional school facilities for grades nine through twelve on the Site and improvements to the middle school (such middle school and such additional school facilities and improvements being referred to herein collectively as the "Projects") for the Municipality and the Board of Education for the Lakeland School System (the "BOE" or the "Lakeland School System"). The Projects and the Site (collectively, the "Leased Property") shall be leased to the Municipality pursuant to a Lease Agreement (the "Lease") between the Issuer and the Municipality. Under the terms of the Lease, the Municipality shall make payments in an amount equal to the amount needed to pay when due the principal of, premium, if any, and interest on the Series 2017 Bonds, and certain other payments due under the Indenture. Such payments and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2017 Bonds. The Leased Property shall be subleased to the Lakeland School System pursuant to a Sublease Agreement (the "Sublease") between the Municipality and the Lakeland School System. Any payments received by the Municipality under the Sublease shall not be used to secure payment of the Series 2017 Bonds. Payments made under the Lease shall be used to pay debt service on the Series 2017 Bonds, and the Municipality will pay amounts due under the Lease from legally available funds of the Municipality including, without limitation, the proceeds of a direct annual tax levied and collected by the Municipality pursuant to the authority provided by Section 7-53-311, Tennessee Code Annotated, as amended (collectively, the "Base Rentals"). The Series 2017 Bonds are payable solely from (i) the Base Rentals, and (ii) certain funds held by the Trustee under the Indenture (collectively, the "Pledged Revenues").

THE SERIES 2017 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PLEDGED REVENUES UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE SERIES 2017 BONDS EXCEPT FROM PAYMENTS PLEDGED THERETO UNDER THE INDENTURE.

THE MUNICIPALITY HAS NO DIRECT OBLIGATION TO PAY THE PRICIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE OBLIGATIONS OF THE MUNICIPALITY ARE LIMITED TO MAKING LEASE PAYMENTS UNDER THE LEASE.

The Series 2017 Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel to the Municipality in connection with the issuance of the Series 2017 Bonds by the Issuer, whose opinion will be delivered with the Series 2017 Bonds. Certain legal matters will be passed upon for the Issuer by Waller Lansden Dortch & Davis, LLP, Memphis, Tennessee, Counsel to the Issuer. Certain legal matters will be passed upon for the Municipality by Wiseman Bray PLLC, Memphis, Tennessee, Counsel to the Municipality. The Series 2017 Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about December __, 2017.

BofA Merrill Lynch

Raymond James

Piper Jaffray

December __, 2017

***Preliminary, subject to change**



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES,
YIELDS AND INITIAL CUSIP NUMBERS†**

§[Par Amount]* Public Improvement Bonds, Series 2017 (City of Lakeland School Project)

<u>Maturity</u> <u>(March 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial</u> <u>CUSIP No.†</u>
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
\$ _____ *	% Term Bond Due _____ *	Yield _____ %	Initial CUSIP No. _____ †		
\$ _____ *	% Term Bond Due _____ *	Yield _____ %	Initial CUSIP No. _____ †		

*Preliminary, subject to change.

†Initial CUSIP numbers have been assigned to the Series 2017 Bonds by an organization not affiliated with the Issuer or the Municipality and are included for the convenience of the owners of the Series 2017 Bonds only at the time of original issuance of the Series 2017 Bonds. Neither the Issuer nor the Municipality is responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2017 Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2017 Bonds.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF LAKELAND, TENNESSEE
BOARD OF DIRECTORS**

Keith Acton
Shawn Brannon
Maurice Denbow, Secretary/Treasurer
Angie Grooms
Alan Johnson
Steve Joseph Laster, Chairman
Ronald Purifoy

CITY OF LAKELAND, TENNESSEE

MAYOR
Wyatt Bunker

BOARD OF COMMISSIONERS

Josh Roman, Vice-Mayor
Clark Plunk, Commissioner
Matt Wright, Commissioner
Wesley Wright, Commissioner

CITY ADMINISTRATION

City Manager	Jim Atkinson
Finance Director and City Recorder	Jessica Millspaugh
Parks and Recreation Administrator	Robbie Spencer
City Engineer	Emily Harrell
Planning Director	Tom Skehan
Human Resources Administrator	Jessica Millspaugh
Public Works Superintendent	Martin Perez
Superintendent of Schools	Dr. Ted Horrell
Chairman of Board of Lakeland School System	Kevin Floyd

CONSULTANTS TO THE ISSUER AND THE MUNICIPALITY

Counsel to The Industrial Development Board of the City of Lakeland, Tennessee
Waller Lansden Dortch & Davis, LLP
Memphis, Tennessee

City Attorney
Wiseman Bray PLLC
Memphis, Tennessee

Bond Counsel to the City of Lakeland, Tennessee
Bass, Berry & Sims PLC
Nashville, Tennessee

Trustee
U.S. Bank National Association
Nashville, Tennessee

Financial Advisor
PFM Financial Advisors LLC
Memphis, Tennessee

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer") and by the City of Lakeland, Tennessee (the "Municipality") from time to time, may be treated as an Official Statement with respect to the Series 2017 Bonds described herein that is deemed final by the Issuer and by the Municipality as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Series 2017 Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the Issuer, the Municipality or PFM Financial Advisors LLC (the "Financial Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Issuer, the Municipality or the Series 2017 Bonds must not be relied upon as having been authorized by the Issuer, the Municipality or the Financial Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Municipality since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the Issuer and the Municipality and the terms of the offering, including the merits and risks involved. No registration statement relating to the Series 2017 Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Series 2017 Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, agreements and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Public Improvement Bonds, Series 2017 (City of Lakeland School Project) of The Industrial Development Board of the City of Lakeland, Tennessee.

Table of Contents

Summary Statement.....	v
Official Statement.....	1
Introduction	1
General	1
Authority for Issuance	1
Purpose of the Series 2017 Bonds	1
The Issuer	2
The Municipality	2
The Projects	3
The Series 2017 Bonds	3
Description	3
Optional Redemption	4
Mandatory Redemption	5
Notice of Redemption	5
Security and Sources of Payment	6
Additional Bonds.....	6
Defeasance	6
Events of Default and Remedies	7
Book-Entry-Only System	7
Plan of Finance.....	9
Sources and Uses of Funds.....	9
Rating.....	9
Continuing Disclosure	10
Future Issues	10
Bondholders' Risks.....	10
General	10
Enforceability of Remedies	10
Additional Obligations	10
Early Payment Prior to Maturity	11
Loss of Tax Exemption	11
Litigation	11
The Municipality	11
The Issuer	11
Approval of Legal Proceedings	12
Tax Matters.....	12
Federal Taxes	12
State Taxes	13
Changes in Federal and State Tax Law	13
Miscellaneous.....	14
Financial Advisor	14
Verification Agent	14
Underwriting.....	14
Miscellaneous	15
Forward-Looking Statements	16
Certification as to Official Statement	17

Information Regarding the Municipality

Appendix A

**Comprehensive Annual Financial Report of the Municipality for the
Fiscal Year Ended June 30, 2016**

Appendix B

Proposed Form of Legal Opinion

Appendix C

Form of Continuing Disclosure Certificate

Appendix D

Summary of Certain Provisions of the Financing Documents

Appendix E

Summary Statement

This Summary is expressly qualified by the entire Official Statement which should be viewed in its entirety by potential investors.

Issuer and Lessor	The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer").
Issue	[\$Par Amount]* Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds").
Lessee	City of Lakeland, Tennessee (the "City" or the "Municipality")
Authority	The Series 2017 Bonds will be issued under Sections 7-53-101 et seq., Tennessee Code Annotated and pursuant to an Indenture of Trust, dated as of December 1, 2017 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), as authorized by a resolution adopted by the Board of the Issuer on December 5, 2017.
Purpose	Proceeds of the Series 2017 Bonds will be used by the Issuer (i) to acquire (A) a parcel of land (the "Site") in the Municipality, and (B) a middle school located on the Site, and (ii) to construct and equip additional school facilities for grades nine through twelve on the Site and improvements to the middle school (such middle school and such additional school facilities and improvements being referred to herein collectively as the "Projects") for the Municipality and the Board of Education for the Lakeland School System (the "BOE" or the "Lakeland School System"). The Projects and the Site (collectively, the "Leased Property") shall be leased by the Issuer to the Municipality pursuant to a Lease Agreement (the "Lease") between the Issuer and the Municipality, and the Municipality shall make payments to the Issuer under the Lease in an amount equal to the amount needed to pay when due the principal of, premium, if any, and interest on the Series 2017 Bonds and certain other costs and expenses as hereinafter described.
Dated Date	_____, 2017.
Interest Due	Each March 1 and September 1, commencing September 1, 2018.
Principal Due.....	March 1, commencing March 1, 2019 through March 1, 2048, inclusive*.
Settlement Date	December __, 2017.
Optional Redemption	Series 2017 Bonds maturing March 1, 20__ and thereafter are subject to redemption prior to maturity at the option of the Issuer upon the direction of the Municipality on and after March 1, 20__ at the price of par plus interest accrued to the redemption date.
Mandatory Redemption	The Series 2017 Bonds maturing March 1, 20__ and March 1, 20__ shall be redeemed on the redemption dates set forth below, in an aggregate principal amount equal to the dollar amount set forth below opposite each redemption date at a price of par plus accrued interest thereon to the date of redemption.

* Preliminary, subject to change.

Each date of redemption and the principal amount of Series 2017 Bonds to be redeemed on said date are as follows:

Series 2017 Bonds maturing March 1, 20

<u>Redemption Dates</u> <u>(March 1)</u>	<u>Principal Amount</u>
---	--------------------------------

*Final Maturity

Series 2017 Bonds maturing March 1, 20

<u>Redemption Dates</u> <u>(March 1)</u>	<u>Principal Amount</u>
---	--------------------------------

*Final Maturity

Security..... Payments made under the Lease are in an amount equal to the amount needed to pay debt service on the Series 2017 Bonds, and the Municipality will pay amounts due under the Lease from legally available funds of the Municipality including, without limitation, the proceeds of a direct annual tax levied and collected by the Municipality pursuant to the authority provided by Section 7-53-311, Tennessee Code Annotated, as amended (collectively, the "Base Rentals"). The Series 2017 Bonds are payable solely from (i) the Base Rentals, and (ii) certain funds held by the Trustee under the Indenture (collectively, the "Pledged Revenues"). Such payments and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture, as security for the Series 2017 Bonds. The Municipality shall sublease the Leased Property to the Lakeland School System, but any payments received by the Municipality under the Sublease are not pledged as security for, and are not expected to pay, debt service on the Series 2017 Bonds.

THE SERIES 2017 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PLEDGED REVENUES UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE SERIES 2017 BONDS EXCEPT FROM PAYMENTS PLEDGED THERETO UNDER THE INDENTURE. THE MUNICIPALITY HAS NO DIRECT OBLIGATION TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE OBLIGATIONS OF THE MUNICIPALITY ARE LIMITED TO MAKING LEASE PAYMENTS UNDER THE LEASE.

Rating..... The Series 2017 Bonds have been assigned a rating of "_____" with a _____ rating outlook by Moody's Investors Service, Inc. ("Moody's") based on documents and other information provided by the Municipality. The rating reflects only the view of Moody's, and neither the Issuer, the Municipality nor the Financial Advisor makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time

or that it will not be lowered or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Series 2017 Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

- Tax Matters**..... In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Issuer and the Municipality, interest on the Series 2017 Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2017 Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2017 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
- Trustee** U.S. Bank National Association, Nashville, Tennessee.
- Financial Advisor**..... PFM Financial Advisors LLC, Memphis, Tennessee.

Official Statement

The Industrial Development Board of the City of Lakeland, Tennessee

[\$[Par Amount]* Public Improvement Bonds, Series 2017 (City of Lakeland School Project)

Introduction

General

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer") of \$[Par Amount]* Public Improvement Bonds, Series 2017 (City of Lakeland School Project) (the "Series 2017 Bonds").

Authority for Issuance

The Series 2017 Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-53-101 *et seq.*, Tennessee Code Annotated. The Series 2017 Bonds are issued pursuant to an Indenture of Trust, dated as of December 1, 2017 (the "Indenture") by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), authorized pursuant to a resolution adopted by the Board of Directors of the Issuer on December 5, 2017 (the "Board Resolution").

Purpose of the Series 2017 Bonds

Proceeds of the Series 2017 Bonds will be used (i) to acquire (A) a parcel of land (the "Site") in the City of Lakeland, Tennessee (the "Municipality"), and (B) a middle school located on the Site, and (ii) to construct and equip additional school facilities for grades nine through twelve on the Site and improvements to the middle school (such middle school and such additional school facilities and improvements being referred to herein collectively as the "Projects") for the Municipality and the Board of Education for the Lakeland School System (the "BOE" or the "Lakeland School System"). The Projects and the Site (collectively, the "Leased Property") shall be leased to the Municipality pursuant to a Lease Agreement, dated as of December 1, 2017 (the "Lease"), between the Issuer and the Municipality. Under the terms of the Lease, the Municipality shall make payments in an amount equal to the amount needed to pay when due the principal of, premium, if any, and interest on the Series 2017 Bonds, and certain other payments due under the Indenture. Such payments and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2017 Bonds.

Pursuant to an Interlocal Cooperation Agreement by and among the Issuer, the Municipality and the Lakeland School System, dated as of December 1, 2017 (the "Interlocal Agreement"), the Lakeland School System is designated as agent of the Issuer for the purpose of overseeing and managing the development, acquisition, construction, and equipping of the Projects. The Municipality will sublease the Leased Property to the Lakeland School System pursuant to a Sublease Agreement, dated as of December 1, 2017, between the Municipality and the Lakeland School System (the "Sublease"). The Lakeland School System will operate the Projects. Any payments received by the Municipality under the Sublease shall not be used to secure payment of the Series 2017 Bonds. Payments made under the Lease are in an amount equal to the amount needed to pay debt service on the Series 2017 Bonds, and the Municipality will pay amounts due under the Lease from legally available funds of the Municipality including, without limitation,

* Preliminary, subject to change.

the proceeds of a direct annual tax levied and collected by the Municipality pursuant to the authority provided by Section 7-53-311, Tennessee Code Annotated, as amended (collectively, the "Base Rentals"). The Series 2017 Bonds are payable solely from (i) the Base Rentals, and (ii) certain funds held by the Trustee under the Indenture (collectively, the "Pledged Revenues"). See Appendix E – "Summary of Certain Provisions of the Financing Documents".

THE SERIES 2017 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PLEDGED REVENUES UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE SERIES 2017 BONDS EXCEPT FROM PAYMENTS PLEDGED THERETO UNDER THE INDENTURE.

THE MUNICIPALITY HAS NO DIRECT OBLIGATION TO PAY THE PRICIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE OBLIGATIONS OF THE MUNICIPALITY ARE LIMITED TO MAKING LEASE PAYMENTS UNDER THE LEASE.

This Official Statement includes descriptions of, among other matters, the Series 2017 Bonds, the Indenture and the Lease (collectively, the "Financing Documents"), the Issuer and the Municipality. Such descriptions and information do not purport to be comprehensive or definitive. The Financing Documents are summarized herein in Appendix E, however, all references to the Financing Documents are qualified in their entirety by reference to the definitive document, including the form of the Series 2017 Bonds included in the Indenture. During the period of the offering of the Series 2017 Bonds, copies of the Financing Documents and any other documents described herein or in the Financing Documents may be obtained from the Municipality. After delivery of the Series 2017 Bonds, copies of such documents will be available for inspection at the Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Financings Documents.

The Issuer

The Issuer was incorporated pursuant to the provisions of Chapter 53 of Title 7 of the Tennessee Code Annotated, as amended (the "Act"), as a public, non-profit corporation pursuant to a charter filed with the Secretary of State of Tennessee on September 15, 2016 (the "Charter"). The Issuer constitutes a public instrumentality of the Municipality for the purpose, among others, of financing and leasing public buildings for the Municipality.

The Act and the Charter empower the Issuer, among other things, to (i) issue its bonds for the purpose of financing the construction, equipping and acquisition of the Projects; (ii) lease the Leased Property to the Municipality pursuant to the Lease; (iii) assign all payments due it under the Lease to the Trustee for payment of principal of, premium, if any, and interest on the Series 2017 Bonds and (iv) enter into any other agreement contemplated in connection with the Leased Property and the Series 2017 Bonds, including the Interlocal Agreement.

The Series 2017 Bonds are limited obligations of the Issuer payable solely from payments made pursuant to the Lease and assigned to the Trustee and from other Pledged Revenues under the Indenture. The officers, members, directors, agents and employees of the Issuer shall not be personally liable for any costs, losses, damages or liabilities caused or incurred by the Issuer, the Trustee, the Municipality or the Lakeland School System in connection with the Financing Documents or the payment of any sum or for the performance of any obligation under any of the Financing Documents.

The Municipality

The Municipality is a political subdivision of the State of Tennessee and, pursuant to the Act, possesses the authority to lease the Leased Property from the Issuer pursuant to the Lease. The Municipality

also possesses the authority under Tennessee law to sublease the Leased Property to the Lakeland School System pursuant to the Sublease, to enter into the Interlocal Agreement with the Issuer and Lakeland School System and to enter into an Escrow Agreement with U.S. Bank National Association, Nashville, Tennessee, dated the delivery date of the Series 2017 Bonds (the "Escrow Agreement"), pursuant to which the portion of the proceeds of the Series 2017 Bonds relating to payment for the Site and the existing middle school will be deposited in escrow. Pursuant to a resolution (the "City Board Resolution") adopted by the Municipality's Board of Commissioners (the "City Board") on December 5, 2017, the City Board has approved the execution and delivery of the Lease, the Sublease, the Interlocal Agreement and the Escrow Agreement and has approved the issuance of the Series 2017 Bonds and the form of the Indenture. The City Board Resolution provides that payments due by the Municipality under the Lease will be payable from a direct annual tax on all taxable property within the corporate limits of the Municipality pursuant to Section 7-53-111, Tennessee Code Annotated, as amended, which direct annual tax is levied and collected to the extent necessary, provided, that such payments due under the Lease will also be payable from any legally available funds of the Municipality.

For additional information relating to the Municipality and the Lakeland School System, see Appendix A – "Information Regarding the Municipality" and Appendix B – "Comprehensive Annual Financial Report of the Municipality for the Fiscal Year Ended June 30, 2016."

The Projects

The Projects, to be collectively titled "Lakeland Preparatory School," will consist of a school for middle school and high school students within the Municipality. Pursuant to the Interlocal Agreement, the Lakeland School System will be designated as the agent of the Issuer to supervise the development, construction, equipping and acquisition of the Projects. The Lakeland School System will operate the Projects in accordance with the Sublease. The Lakeland School System will pay nominal rental payments to the Municipality pursuant to the Sublease. Payments made by the Lakeland School System pursuant to the Sublease do not secure payment of the Series 2017 Bonds. At the conclusion of the Lease and the Sublease, title to the Site and the Projects will be vested in the Lakeland School System.

The high school and the improvements to the middle school portion of the Projects will be constructed with proceeds of the Series 2017 Bonds deposited to the Construction Fund established under the Indenture. The existing middle school portion of the Projects and the Site will be acquired with proceeds of the Series 2017 Bonds deposited under the Escrow Agreement, and such proceeds deposited, together with certain other legally available funds of the Municipality, will be used by the Municipality to defease its outstanding General Obligation Capital Outlay Notes, Series 2015, dated September 16, 2015, maturing March 1, 2018 and thereafter (the "Notes"), the proceeds of which were used to finance the acquisition of the Site and the construction of the existing middle school. (See "The Series 2017 Bonds – Plan of Finance" herein.)

The Series 2017 Bonds

Description

The Series 2017 Bonds will be issued pursuant to the Indenture as fully registered book-entry bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Series 2017 Bonds will be dated December __, 2017. Interest on the Series 2017 Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on March 1 and September 1 of each year (herein an "Interest Payment Date"), commencing September 1, 2018.

The Series 2017 Bonds will mature on the dates and in the amounts set forth on the inside cover page.

The Series 2017 Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2017 Bonds. The Trustee will make all interest payments with respect to the Series 2017 Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Trustee as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records or at such other address as is furnished to the Trustee in writing by the registered owner thereof prior to the Regular Record Date, without, except for final payment, the presentation or surrender of such registered Series 2017 Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Series 2017 Bonds to the extent of the payments so made. Payment of principal of the Series 2017 Bonds shall be made upon presentation and surrender of such Series 2017 Bonds to the Trustee as the same shall become due and payable. In the event the Series 2017 Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the owner of at least \$1,000,000 in aggregate principal amount of the Series 2017 Bonds, payment of interest on such Series 2017 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Trustee and written notice of any such election and designated account is given to the Trustee prior to the record date.

Any interest on any Series 2017 Bond not timely paid or duly provided for shall cease to be payable to the registered owner thereof as of the close of business on the Regular Record Date and shall be payable to the registered owner thereof as of the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Series 2017 Bonds not less than ten days prior thereto by first-class mail, postage prepaid, to each such owner as shown on the Bond Register, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

Optional Redemption

The Series 2017 Bonds maturing March 1, 20__ through March 1, 20__ shall mature without option of prior redemption. The Series 2017 Bonds maturing March 1, 20__ and thereafter shall be subject to redemption prior to maturity at the option of the Issuer, upon direction of the Municipality, on March 1, 20__ and thereafter as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Series 2017 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Municipality in its discretion. If less than all of the Series 2017 Bonds within a single maturity shall be called for redemption, the interest within the maturity to be redeemed shall be selected as follows:

- (i) if the Series 2017 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Series 2017 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2017 Bonds within the maturity to be redeemed shall be selected by the Trustee by lot or such other random manner as the Trustee in its discretion shall determine.

Mandatory Redemption

The Series 2017 Bonds maturing March 1, 20__ and March 1, 20__ shall be redeemed on the redemption dates set forth below, in an aggregate principal amount equal to the dollar amount set forth below opposite each redemption date at a price of par plus accrued interest thereon to the date of redemption. Each date of redemption and the principal amount of Series 2017 Bonds to be redeemed on said date are as follows:

Series 2017 Bonds maturing March 1, 20

<u>Redemption Date</u> <u>(March 1)</u>	<u>Principal Amount</u>
--	--------------------------------

*Final Maturity

Series 2017 Bonds maturing March 1, 20

<u>Redemption Date</u> <u>(March 1)</u>	<u>Principal Amount</u>
--	--------------------------------

*Final Maturity

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Trustee not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2017 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Trustee as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2017 Bonds for which proper notice was given. The notice may state that it is conditioned upon deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Trustee no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2017 Bonds, all redemption notices shall be mailed by the Trustee to DTC, or such successor Depository, as the registered owner of the Series 2017 Bonds, as and when above provided, and neither the Issuer, the Municipality nor the Trustee shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Trustee shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given on the dates provided in the Indenture) given to the Trustee at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Trustee). From and after the redemption date, all Series 2017 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Trustee for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the Issuer or the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee

shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2017 Bonds called for redemption and not so paid remain Outstanding.

Security and Sources of Payment

Under the terms of the Lease, the Municipality shall make payments in an amount equal to the amount needed to pay when due the principal of, premium, if any, and interest on the Series 2017 Bonds, and certain other payments due under the Indenture. Such payments and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2017 Bonds. Payments the Municipality receives under the Sublease, if any, do not secure the payment of debt service on the Series 2017 Bonds. The Municipality shall pay amounts due to the Issuer under the Lease from legally available funds of the Municipality including, without limitation, the proceeds of a direct annual tax levied and collected by the Municipality pursuant to the authority provided by Section 7-53-311 of Tennessee Code Annotated, as amended (collectively, the "Base Rentals"). The Series 2017 Bonds are payable solely from the Pledged Revenues.

THE SERIES 2017 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PLEDGED REVENUES UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE SERIES 2017 BONDS EXCEPT FROM PAYMENTS PLEDGED THERETO UNDER THE INDENTURE.

THE MUNICIPALITY HAS NO DIRECT OBLIGATION TO PAY THE PRICIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE OBLIGATIONS OF THE MUNICIPALITY ARE LIMITED TO MAKING LEASE PAYMENTS UNDER THE LEASE.

A Bond Fund is created by the Indenture to be held by the Trustee and used solely to pay principal of and interest on the Series 2017 Bonds and Additional Bonds, if any. Deposits to the Bond Fund include all accrued interest, all capitalized interest, funds remaining after construction of the Projects, all Base Rentals paid under the Lease, and payments received by the Trustee which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. See Appendix E – "Summary of Certain Provisions of the Financing Documents – The Indenture – Revenues and Funds" and "The Lease – Lease Payments".

Additional Bonds

Additional Bonds may be issued in accordance with the restrictive provisions of the Indenture and the Lease, which include the requirement that the Lease be amended to provide for additional Base Rentals in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and that the Municipality (i) agree to annually levy and collect a direct annual tax on all taxable property within the corporate limits of the Municipality pursuant to Section 7-53-311 of Tennessee Code Annotated, as amended, in the amount of such additional Base Rentals, and (ii) pledge such direct annual tax to the payment of such additional Base Rentals. See Appendix E – "Summary of Certain Provisions of the Financing Documents – The Indenture – Revenues and Funds" and "The Lease – Lease Payments".

Defeasance

The Lease may be prepaid by the Municipality and the Series 2017 Bonds defeased by the Issuer in accordance with the Lease and the Indenture. See Appendix E - "Summary of Certain Provisions of the Financing Documents."

Events of Default and Remedies

Failure to pay principal of and interest on the Series 2017 Bonds and the failure by the Issuer and the Municipality to comply with certain covenants can cause an Event of Default under the Indenture. If there is an Event of Default under the Indenture, then the Indenture establishes remedies of the Bondholders. See Appendix E - "Summary of Certain Provisions of the Financing Documents - The Indenture - Events of Default and Remedies".

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered bond certificate will be issued in the aggregate principal amount of each maturity of the Series 2017 Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2017 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 2017 Bonds with

DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2017 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2017 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Issuer or the Municipality, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer, at the direction of the Municipality, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Municipality believe to be reliable, but neither the Issuer nor the Municipality takes any responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE MUNICIPALITY NOR THE TRUSTEE HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH

RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Plan of Finance

Pursuant to the Indenture, a portion of the proceeds of sale of the Series 2017 Bonds shall be paid over to the Trustee and deposited to the credit of the Cost of Issuance Fund and the Construction Fund to pay certain costs of issuance of the Series 2017 Bonds and certain construction costs of the high school and the improvements to the middle school, respectively.

The remaining portion of the proceeds of the sale of the Series 2017 Bonds shall be deposited with the escrow agent pursuant to the Escrow Agreement as payment for the Site and the existing middle school, and such proceeds, together with other legally available funds of the Municipality, will be used by the Municipality to defease the Notes, the proceeds of which were used to finance the acquisition of the Site and the construction of the existing middle school.

See Appendix E – “Summary of Certain Provisions of the Financing Documents – The Indenture – Revenues and Funds”

Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2017 Bonds.

Sources of Funds

Par Amount	\$ _____
Net Original Premium/(Net Original Discount)	_____
Municipality Contribution	_____
Total Sources	\$ _____

Uses of Funds

Deposit to Construction Fund	\$ _____
Deposit to Escrow Fund	_____
Costs of Issuance (includes Underwriters’ Discount and Expenses)	_____
Total Uses	\$ _____

Rating

The Series 2017 Bonds have been assigned a rating of “___” with a _____ rating outlook by Moody’s Investors Service, Inc. (“Moody’s”) based on documents and other information provided by the Municipality. The rating reflects only the view of Moody’s, and neither the Issuer, the Municipality nor the Underwriters make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by Moody’s if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Series 2017 Bonds. An explanation of the significance of the rating may be obtained from Moody’s.

Continuing Disclosure

At the time the Series 2017 Bonds are delivered, the Municipality, as an Obligated Person (as defined in Securities and Exchange Commission Rule 15c2-12(d)) in connection with the issuance of the Series 2017 Bonds, will execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Series 2017 Bonds to provide certain financial information and operating data relating to the Municipality by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2017 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Municipality. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the Municipality with the Municipal Securities Rulemaking Board at emma.msrb.org and with any State Information Depository which may be established in Tennessee. The specific nature of the information to be contained in the Annual Report or the notices of events can be found in the form of the Continuing Disclosure Certificate attached hereto as Appendix D. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time. In the previous five years, the Municipality has not failed to comply in any material respect with any undertaking in a written contract or agreement specified in Rule 15c2-12(b).

THE ISSUER IS NOT AN OBLIGATED PERSON FOR PURPOSES OF RULE 15c2-12(b).

Future Issues

[TO BE INSERTED]

Bondholders' Risks

General

Set forth below are certain risks purchasers of the Series 2017 Bonds should consider when making an investment decision. All potential risks are not included, and the discussion is not intended to be exhaustive.

Enforceability of Remedies

The remedies available to the owners of the Series 2017 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. The enforceability of remedies or rights with respect to the Series 2017 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, certain remedies specified by the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Additional Obligations

The Issuer may issue Additional Bonds on a parity of lien with the Series 2017 Bonds with respect to the Pledged Revenues in accordance with the provisions of the Indenture and the Lease, which include the requirement that the Lease be amended to provide for additional Base Rentals in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and that the Municipality (i) agree to annually levy and collect a direct annual tax on all taxable property within the corporate limits of

the Municipality pursuant to Section 7-53-311 of Tennessee Code Annotated, as amended, in the amount of such additional Base Rentals, and (ii) pledge such direct annual tax to the payment of such additional Base Rentals. The issuance of Additional Bonds would increase the debt service requirements of the Issuer and the corresponding rental payments of the Municipality. See "The Series 2017 Bonds – Additional Bonds".

Early Payment Prior to Maturity

The Series 2017 Bonds maturing March 1, 20__ and thereafter are subject to optional redemption prior to maturity. See "The Series 2017 Bonds - Optional Redemption." A prospective investor should consider these rights when making any investment decision. Following a redemption, the owners of the Series 2017 Bonds may not be able to reinvest their funds at a comparable interest rate.

Loss of Tax Exemption

There is no provision for the redemption of the Series 2017 Bonds or for the payment of additional interest on the Series 2017 Bonds in the event that interest on the Series 2017 Bonds becomes includable in gross income for federal income tax purposes. In the event that interest on the Series 2017 Bonds becomes includable in gross income for federal income tax purposes, the value and marketability of the Series 2017 Bonds would likely be adversely affected. The Municipality and the Issuer have, however, covenanted not to do anything that would adversely affect the tax-exempt status of the Series 2017 Bonds. See "Tax Matters" herein.

Litigation

The Municipality

The Municipality, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the Municipality believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Municipality or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the Municipality's financial condition.

As of the date of this Official Statement, the Municipality has no knowledge or information concerning any pending or threatened litigation contesting the authority of the Municipality to enter into the Lease or any other agreement described herein in connection with the Series 2017 Bonds, to levy the direct annual tax described herein for payments due by the Municipality under the Lease, or concerning the sale or use of the proceeds of the Series 2017 Bonds in the manner provided in the Indenture.

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization or existence of the Issuer, nor the title of the present members or other officers of the Issuer to their respective offices is being contested. There is no litigation pending, or to its knowledge, threatened, which in any manner questions the right of the Issuer to enter into the Indenture, the Lease or any other agreement described herein in connection with the Series 2017 Bonds, or to secure the Series 2017 Bonds in the manner provided in the Indenture.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Series 2017 Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel to the Municipality in connection with the issuance of the Series 2017 Bonds by the Issuer. A copy of the opinion will be delivered with the Series 2017 Bonds. (See Appendix C). Certain legal matters will be passed upon for the Issuer by Waller Lansden Dortch & Davis, LLP, Memphis, Tennessee, Counsel to the Issuer. Certain legal matters will be passed upon for the Municipality by Wiseman Bray PLLC, Memphis, Tennessee, Counsel to the Municipality.

Tax Matters

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel to the Municipality in connection with the issuance of the Series 2017 Bonds by the Issuer. Their opinion under existing law, relying on certain statements by the Issuer, the Municipality and the BOE and assuming compliance by the Issuer, the Municipality and the BOE with certain covenants, is that interest on the Series 2017 Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986 (the "Code"),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Code imposes requirements on the Series 2017 Bonds that the Issuer, the Municipality and the BOE must continue to meet after the Series 2017 Bonds are issued. These requirements generally involve the way that Series 2017 Bond proceeds must be invested and ultimately used. If the Issuer and/or the Municipality and/or the BOE do not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2017 Bonds in its federal gross income on a retroactive basis to the date of issue. The Issuer, the Municipality and the BOE have covenanted to do everything necessary to meet the requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2017 Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Series 2017 Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2017 Bonds or affect the market price of the Series 2017 Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2017 Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Series 2017 Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Series 2017 Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Series 2017 Bond will be reduced. The holder of a Series 2017 Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2017 Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Series 2017 Bond with Bond premium, even though the Series 2017 Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Series 2017 Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Series 2017 Bond will have "original issue discount" if the price paid by the original purchaser of such Series 2017 Bond is less than the principal amount of such Series 2017 Bond. Bond Counsel's opinion is that any original issue discount on these Series 2017 Bonds as it accrues is excluded from a bondholder's federal gross income under the Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Series 2017 Bonds will be increased. If a bondholder owns one of these Series 2017 Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Series 2017 Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Series 2017 Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Bondholder's Federal income tax.

State Taxes

Under existing law, the Series 2017 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2017 Bonds during the period the Series 2017 Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2017 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2017 Bonds or otherwise prevent holders of the Series 2017 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2017 Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Series 2017 Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to the Series 2017 Bonds prior to enactment. In addition, regulatory actions are from time to time

announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2017 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2017 Bonds would be impacted. Purchasers of the Series 2017 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2017 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Miscellaneous

Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors regarding the foregoing matters.

Financial Advisor

PFM Financial Advisors LLC ("PFM") is employed by the Municipality to perform professional services in the capacity of financial advisor. In its role as financial advisor to the Municipality, PFM has provided advice on the plan of financing and structure of the Series 2017 Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the Municipality and other sources and the certifications as to the Official Statement.

Verification Agent

The arithmetical accuracy of certain computations included in the schedules provided by PFM on behalf of the Municipality relating to (a) computation of the sufficiency of cash and forecasted receipts of principal and interest on the securities on deposit under the Escrow Agreement to pay the forecasted payments of redemption prices and interest on and prior to the redemption dates of the Notes, and (b) computation of the yield on the Series 2017 Bonds was examined by Robert Thomas CPA, LLC. Such computations were based solely upon assumptions and information supplied by PFM on behalf of the Municipality. Robert Thomas CPA, LLC has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Underwriting

Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and other underwriters shown on the front cover of this Official Statement (collectively, the "Underwriters"), has agreed, subject to certain conditions, to purchase the Series 2017 Bonds pursuant to a Bond Purchase Agreement (the "Purchase Agreement"). The Underwriters will purchase the Series 2017 Bonds at a purchase price of \$_____ (representing the principal amount of the Series 2017 Bonds of \$_____, [plus an original issue premium] [less an original issue discount] of \$_____, less Underwriters' discount of _____.)

The Purchase Agreement provides that the Underwriters shall purchase all of the Series 2017 Bonds if any are purchased, subject to the conditions contained therein. The Series 2017 Bonds may be offered

and sold to certain dealers, banks and others at prices different than the offering prices indicated on the inside front cover page hereof, and such offering prices may be changed from time to time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Issuer and the Municipality and their affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and the Municipality (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and the Municipality. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Piper Jaffray & Co., one of the Underwriters of the Series 2017 Bonds, has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings, including the Series 2017 Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase Series 2017 Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2017 Bonds that CS&Co sells.

Miscellaneous

The Issuer has furnished the information contained in the section "THE ISSUER" herein, and the Issuer makes no representation as to the accuracy or completeness of any information contained herein except with respect to the information contained in the section "THE ISSUER". The Municipality has reviewed the information herein which relates to it and has approved all such information for use within this Official Statement.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for the payment of the Series 2017 Bonds, and the rights of the holders of the Series 2017 Bonds. Any of the estimates is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Municipality since the date hereof. This Official Statement does not contain any untrue statement of a material fact or omit any statement which should be included in this Official Statement for the purpose for which the Official Statement is to be used, or which is necessary in order to make statements herein contained, in light of the circumstances under which they were made, not misleading in any material respect.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and neither the Underwriters, the Issuer nor the Municipality assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

[Certification Page Follows]

Certification as to Official Statement

The Issuer and the Municipality will represent to the Underwriters in the Purchase Agreement that (i) the information and statements, including financial statements of or pertaining to the Municipality, contained in this Official Statement were and are correct in all material respects, and (ii) insofar as the Issuer or the Municipality and their affairs, including their financial affairs, are concerned, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement was duly authorized by the Issuer and by the Municipality.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF LAKELAND, TENNESSEE

By: _____
Chairman

Approved:

CITY OF LAKELAND, TENNESSEE

By: _____
Mayor

APPENDIX A

Information Regarding the Municipality

APPENDIX B

**Comprehensive Annual Financial Report of the Municipality for the
Fiscal Year Ended June 30, 2016**

The financial statements of the Municipality as of [DATE OF FINANCIAL STATEMENTS] fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Municipality as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Representative of the Underwriters, there has not been any materially adverse change in the financial condition of the Municipality or in its operations since [DATE OF FINANCIAL STATEMENTS] and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

APPENDIX C

**Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Series 2017 Bonds.**

(Proposed Form of Opinion of Bond Counsel)

(Closing Date)

The Board of Commissioners of the
City of Lakeland, Tennessee
10001 US Highway 70
Lakeland, Tennessee 38002

The Industrial Development Board of the
City of Lakeland, Tennessee
10001 US Highway 70
Lakeland, Tennessee 38002

Merrill Lynch, Pierce, Fenner & Smith Incorporated,
As representative of the Underwriters
One Bryant Park, 12th Floor
New York, New York 10036

U.S. Bank National Association, as trustee
333 Commerce Street, Suite 800
Nashville, Tennessee 37201

Re: \$[Par Amount]¹ Public Improvement Bonds, Series 2017 (City of Lakeland School Project)
 of The Industrial Development Board of the City of Lakeland, Tennessee

Ladies and Gentlemen:

We have acted as bond counsel to the City of Lakeland, Tennessee (the "Municipality") in connection with the issuance by The Industrial Development Board of the City of Lakeland, Tennessee (the "Issuer") of the \$[Par Amount]¹ Public Improvement Bonds (City of Lakeland School Project), Series 2017 (the "Series 2017 Bonds").

The Series 2017 Bonds are issued pursuant to an Indenture of Trust, dated as of December 1, 2017 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee (the "Trustee") pursuant to Sections 7-53-101 *et seq.*, Tennessee Code Annotated (the "Act") for the purpose of acquiring, constructing and equipping certain projects, as permitted by the Act, and leasing such projects on a site (collectively, the "Leased Property") to the City of Lakeland, Tennessee (the "Municipality") pursuant to a Lease Agreement, dated as of December 1, 2017 (the "Lease") between the Issuer and the Municipality. Under the terms of the Lease, the Municipality has agreed to make rental payments in an amount equal to the principal of, premium, if any, and interest on the Series 2017 Bonds (the "Base Rentals") and certain other payments due under the Indenture. Pursuant to the authority of Section 7-53-311 of the Act and a resolution adopted by the Board of Commissioners of the Municipality on December 5, 2017, the Municipality has pledged to pay amounts due under the Lease from the proceeds of a direct annual tax levied and collected by the Municipality in an amount sufficient with other available moneys of the Municipality to make such payments.

The Series 2017 Bonds are payable solely from (i) Base Rentals, and (ii) certain funds held by the Trustee under the Indenture (collectively, the "Pledged Revenues"). The Base Rentals and certain rights of the Issuer under the Lease have been assigned by the Issuer to the Trustee pursuant to the Indenture. The

¹ Preliminary, subject to change.

Municipality and the Board of Education for the Lakeland School System (the "BOE") established by the Municipality, as authorized by the Municipality's charter and operating under the ordinances of the Municipality and the laws of the State of Tennessee, have entered into a Sublease Agreement, dated as of December 1, 2017 (the "Sublease") pursuant to which the Leased Property is subleased to the BOE.

Reference is made to an opinion of even date of Waller Lansden Dortch & Davis, LLP, counsel to the Issuer, upon which opinion we have relied with respect to the organization of the Issuer and the execution and delivery of the Indenture and the Lease by the Issuer, with respect to such documents being binding and enforceable upon the Issuer.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of the Issuer, the Municipality and the BOE, including the Tax Certificate and Agreement, dated as of the date hereof and other public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion that, as of the date hereof, as follows:

1. The Issuer is duly incorporated, validly existing and in good standing under the laws of the State of Tennessee and has all requisite corporate power and authority to enter into and perform its obligations under the Indenture and the Lease and to issue the Series 2017 Bonds.

2. The Indenture and the Lease have been duly authorized, executed and delivered by the Issuer and are the valid and binding obligations of the Issuer enforceable upon the Issuer in accordance with their respective terms. The Indenture creates a valid lien on the Pledged Revenues.

3. The Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer and are the valid and binding special obligations of the Issuer payable solely from the Pledged Revenues under the Indenture, enforceable in accordance with their terms and the terms of the Indenture.

4. The Lease has been duly authorized, executed and delivered by the Municipality and is the valid and binding obligation of the Municipality enforceable upon the Municipality in accordance with its terms.

5. Interest on the Series 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of alternative minimum tax on corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer, the Municipality, and the BOE comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2017 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2017 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2017 Bonds. The Issuer, the Municipality, and the BOE have covenanted to comply with all such requirements. Except as set forth in this Paragraph 5, we express no opinion regarding other federal tax consequences arising with respect to the Series 2017 Bonds.

6. Under existing law, the Series 2017 Bonds and the income therefrom are exempt from all present state, county and municipal taxation in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Series 2017 Bonds during the period such Series 2017 Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the

book value of the Series 2017 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Series 2017 Bonds and the enforceability of the Series 2017 Bonds, the Indenture, the Lease, and the documents authorizing the Series 2017 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2017 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX D

Form of Continuing Disclosure Certificate

The Industrial Development Board of the City of Lakeland, Tennessee

[\$Par Amount]† Public Improvement Bonds, Series 2017 (City of Lakeland School Project)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Lakeland, Tennessee (the “Municipality”), as an “obligated person,” as defined in the Rule (as defined herein) in connection with the issuance of the captioned bonds (the “Series 2017 Bonds”). The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Municipality for the benefit of the Beneficial Owners of the Series 2017 Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Municipality pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2017 Bonds for federal income tax purposes.

“Dissemination Agent” means the Municipality or any successor designated in writing by the Municipality and which has filed with the Municipality a written acceptance of such designation.

“Fiscal Year” shall mean any period of twelve (12) consecutive months adopted by the Municipality as its fiscal year for financial reporting purposes.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement dated December __, 2017, relating to the Series 2017 Bonds.

“Participating Underwriter” shall mean, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc., and Piper Jaffray & Co.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Tennessee.

“State Depository” shall mean any public or private depository or entity designated by the State as a state depository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Certificate, there is no State Depository.

† Preliminary, subject to change.

SECTION 3. Provision of Annual Reports. Not later than one year after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2017, the Municipality shall provide an Annual Report to the MSRB at www.emma.msrb.org and to the State Depository, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Municipality shall include unaudited financial statements of the Municipality in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Municipality will be submitted. The audited financial statements of the Municipality, when available, will be provided to the MSRB and to the State Depository, if any. If the Annual Report (or audited financial statements which were to be separately submitted) is not timely filed, the Municipality shall send a notice to the MSRB and to the State Depository, if any.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Municipality for the prior Fiscal Year, prepared in accordance with generally accepted accounting practices; provided, however, if the Municipality's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed when available.

(b) If the accounting principles changed from the previous Fiscal Year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) An update of the information in Appendix A to the Official Statement under the following headings (which information may be included as part of the audited financial statements):

- (i) Debt Service Requirements – General Fund;
- (ii) Debt Service Requirements – Sewer Fund;
- (iii) Statement of Debt – City of Lakeland;
- (iv) Schedule of Changes in Property Taxes Receivable – By Levy Year;
- (v) Schedule of Property Tax Rates and Assessments;
- (vi) Analysis of Value of Taxable Property for the applicable Fiscal Year;
- (vii) Analysis of Value of Taxable Property by Fiscal Year;
- (viii) Schedule of Principal Taxpayers;
- (ix) Sales Tax Revenues for the most recent Fiscal Year;

- (x) General Fund Revenues by Fiscal Year; and
- (xi) Statement of Revenues, Expenditures and Changes in Fund Balances –
General Fund.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Municipality is an “obligated person” (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Municipality shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds or other material events affecting the tax status of the Series 2017 Bonds;
- (vii) Modifications to rights of holders of the Series 2017 Bonds, if material;
- (viii) Note calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon the occurrence of any of the above Listed Events, the Municipality shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such Listed Event, file a notice of such occurrence with the MSRB through emma.msrb.org, and the State Depository, if any.

(c) For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Municipality shall determine the materiality of such event as soon as possible after learning of its occurrence.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series 2017 Bonds. If the Municipality's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Municipality, and the Municipality shall have no further responsibility hereunder.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Municipality may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Municipality shall be the dissemination agent.

SECTION 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Municipality to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 5(a)(vii) hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to the MSRB and any State Depository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure

Certificate, the Municipality shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Municipality of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify (to the extent permitted by applicable law) and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Municipality), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2017 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Municipality, the Participating Underwriter and Beneficial Owners from time to time of the Series 2017 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

Date: December __, 2017.

CITY OF LAKELAND, TENNESSEE

APPENDIX E

Summary of Certain Provisions of the Financing Documents

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS

The following are brief summaries of certain provisions of the Indenture and the Lease and are in all respects subject to and qualified in their entirety by reference to the Indenture and the Lease.

THE INDENTURE

[TO BE INSERTED]

LEASE AGREEMENT

[TO BE INSERTED]

RESOLUTION NO. __-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAKELAND, TENNESSEE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF PUBLIC IMPROVEMENT BONDS (CITY OF LAKELAND SCHOOL PROJECT) FOR THE PURPOSE OF FUNDING THE ACQUISITION AND CONSTRUCTION OF SCHOOLS FOR AND AT THE REQUEST OF THE CITY OF LAKELAND AND TO ENTER INTO ALL OTHER DOCUMENTS RELATED TO THE FOREGOING

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") "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, the Board of Commissioners (the "Governing Body") of the City of Lakeland, Tennessee (the "City"), a political subdivision of the State of Tennessee, by resolution adopted on December 5, 2017 (the "City Resolution"), at the request of the Board of Education for the Lakeland School System (the "BOE"), has requested that the IDB assist the City by providing funding for refinancing the middle school and the parcel of land upon which it is located in Shelby County, City of Lakeland, State of Tennessee (the "Site") (collectively, the "Middle School Project") and to construct and equip additional school facilities for grades nine through twelve and construct and equip improvements to the middle school (collectively, the "School Addition Project"), 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 the City Resolution, the Governing Body of the City found that it is in the best interests of the City to provide such financing by requesting that the IDB: (i) issue its Public Improvement Bonds (City of Lakeland School Project) (the "Series 2017 Bonds") pursuant to the provisions of the Act, to be secured by and contain such terms as are set forth in an Indenture of Trust (the "Indenture") between the IDB and U.S. Bank National Association, as trustee (the "Trustee") to acquire the Site and the Middle School Project and to construct and equip the School Addition Project on the Site, (ii) lease the Projects and the Site to the City to be subleased to the BOE, and (iii) enter into an interlocal cooperation agreement (the "Interlocal Agreement") pursuant to Sections 12-9-101 et seq., Tennessee Code Annotated, as amended, among the BOE, the IDB, and the City to designate the BOE as the entity responsible for the management and oversight of the development, acquisition and construction of the Projects; 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, under the Act and its certificate of incorporation, the Board of Directors (the "Governing Body") of the IDB is empowered to authorize the issuance of bonds by the IDB to acquire, construct and equip the Projects, lease the Projects to the City, and enter into the Interlocal Agreement designating the BOE as the entity responsible for causing the Projects to be acquired and constructed; and



WHEREAS, to facilitate the financing of the Projects the BOE has agreed to transfer the ownership of the Site and all improvements thereon to the IDB; and

WHEREAS, a portion of the funds derived from the Series 2017 Bonds will be applied to the purchase price of the Site, including the middle school; and

WHEREAS, the City has requested that the IDB enter into a lease-purchase agreement (the "Lease") pursuant to which the City will lease the Projects from the IDB and make rental payments under the Lease in an amount equal to the principal of, premium, if any, and interest on the Series 2017 Bonds, and all other costs associated with the Series 2017 Bonds; and

WHEREAS, the obligations of the City under the Lease shall be secured by and payable from legally available funds of the City, including a direct annual tax levied by the City pursuant to the authority of Section 7-53-311 of the Act and shall be additionally payable from, but not secured by, other legally available funds of the City; and

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

WHEREAS, the City desires to enter into a sublease agreement (the "Sublease") with the BOE subleasing the Projects to the BOE which is the entity legally vested with responsibility for management, control and operation of schools for the City; and

WHEREAS, the City has recommended that the IDB engage Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Piper Jaffrey & Co. (collectively, the "Underwriter") to act as the Underwriter for the purchase and sale of the Series 2017 Bonds pursuant to a Bond Purchase Agreement (the "Purchase Agreement") among the City, the IDB and the Underwriter; and

WHEREAS, the Underwriter will circulate on behalf of the IDB and the City a Preliminary Official Statement and a final Official Statement (respectively, the "Preliminary Official Statement" and the "Final Official Statement", and collectively, the "Official Statement") in connection with the offering of the Series 2017 Bonds for sale; and

WHEREAS, it is now necessary and desirable for the Governing Body of the IDB to authorize and approve the taking of actions and/or the execution of documents in connection with the Series 2017 Bonds, the Indenture, the Lease, the Interlocal Agreement, the Purchase Agreement, and the Official Statement; and

WHEREAS, there has been prepared and presented to the Governing Body, the forms of the Indenture, the Lease, the Interlocal Agreement, the Purchase Agreement, and the Official Statement which the IDB proposes to enter into; and

WHEREAS, the execution and delivery of the Indenture, the Lease, the Interlocal Agreement, the Purchase Agreement, and the Official Statement appear to be in furtherance of the policy set forth in the Act, are in appropriate form and are appropriate instruments to be executed and delivered by the IDB for the purposes intended; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Board of the City of Lakeland, Tennessee as follows:

Section 1. Terms and Definitions. All words and phrases defined in the recitals of this resolution shall have the same meaning when used in this resolution.

Section 2. Indenture. The form, terms and provisions of the Indenture are in all respects approved, and the Chairman and the Secretary/Treasurer of the IDB are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Indenture in the name and on behalf of the IDB. The Indenture is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Indenture now before this meeting, and from and after the execution and delivery of the Indenture, the officers, agents and employees of the IDB are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture as executed.

Section 3. Lease. The form, terms and provisions of the Lease are in all respects approved, and the Chairman and the Secretary/Treasurer of the IDB are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Lease in the name and on behalf of the IDB. The Lease is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Lease now before this meeting, and from and after the execution and delivery of the Lease, the officers, agents and employees of the IDB are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Lease as executed, including the payment of amounts by the City thereunder to the Trustee under the Indenture. The rent payable under the Lease shall be payable from and secured by a direct annual tax on all taxable property within the corporate limits of the City pursuant to Section 7-53-311 of the Act. Such rent shall also be payable from any legally available funds of the City.

Section 4. Interlocal Agreement. The form, terms and provisions of the Interlocal Agreement are in all respects approved, and the Chairman and the Secretary/Treasurer of the IDB are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Interlocal Agreement in the name and on behalf of the IDB. The Interlocal Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Interlocal Agreement now before this meeting, and from and after the execution and delivery of the Interlocal Agreement, the officers, agents and employees of the IDB are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Interlocal Agreement as executed.

Section 5. Purchase Agreement. The form, terms and provisions of the Purchase Agreement are in all respects approved, and the Chairman and the Secretary/Treasurer of the IDB are hereby, authorized, empowered and directed to execute, acknowledge and deliver the Purchase Agreement in the name and on behalf of the IDB. The Purchase Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Purchase Agreement now before this meeting, and from and after the execution and delivery of the Purchase Agreement, the officers, agents and employees of the IDB are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

Section 6. The Series 2017 Bonds. The Series 2017 Bonds shall be issued pursuant to the Indenture, shall be dated, be in the form and denominations, be subject to registration, be subject to redemption, and shall mature in such amounts and bear interest all as provided in the Indenture. The IDB hereby approves the issuance and sale of the Series 2017 Bonds upon terms consistent with this resolution and the Indenture and authorizes the completion of the form of the Lease in a manner consistent with such terms. Proceeds derived from the issuance of the Series 2017 Bonds shall be applied to pay the costs of the Projects and the costs of issuance of the Series 2017 Bonds in accordance with the Indenture and shall be distributed in accordance with the Indenture and the Interlocal Agreement. The aggregate principal amount of the Series 2017 Bonds shall not exceed \$60,000,000. The rate or rates of interest per annum on the Series 2017 Bonds shall not exceed the maximum rate permitted by applicable law, the final maturity shall not exceed the end of the thirtieth fiscal year following the fiscal year in which the Series 2017 Bonds are issued and amortization of such principal shall commence not later than the first full fiscal year beginning not later than three years after date of issuance, which amortization shall result in approximately level payments by the City under the Lease during the amortization period. The Series 2017 Bonds shall be issued as serial and/or term bonds and shall be subject to optional redemption at the direction of the City not later than the end of the tenth fiscal year following the date of issuance of the Series 2017 Bonds at a premium of not to exceed two percent (2%) of the principal amount of the Series 2017 Bonds redeemed. The initial interest payment on the Series 2017 Bonds shall commence not later than twelve months following the date of issuance of the Series 2017 Bonds. The officers of the Issuer are hereby authorized, empowered and directed to cause the Series 2017 Bonds to be prepared in substantially the form specified in the Indenture, as finally executed and delivered, bearing interest and maturing in principal amounts as therein specified; that said Series 2017 Bonds shall be redeemable as provided in the Indenture as finally executed and delivered; that the Series 2017 Bonds shall be executed in the name of the IDB with the manual or facsimile signature of its Chairman and the manual or facsimile signature of its Secretary/Treasurer and the seal of the IDB shall be affixed thereto and printed thereon; and that the Chairman or any other officer of the IDB shall cause the Series 2017 Bonds, as so executed and delivered, to be delivered to the Trustee for authentication.

Section 7. Official Statement. The Chairman and Secretary/Treasurer, or either of them, are hereby authorized, empowered and directed to cooperate with the City in the preparation of a Preliminary Official Statement relating to the Series 2017 Bonds in substantially the form presented to this meeting, and the Chairman and Secretary/Treasurer, or either of them, be, and they are hereby authorized, empowered and directed to execute and deliver a final Official Statement relating to the Series 2017 Bonds in the name and on behalf of the IDB. The Chairman, Secretary/Treasurer, Mayor, City Manager and the City Recorder, or any of them, are authorized, on behalf of the Issuer and the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Issuer and the City except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 8. Continuing Disclosure. The IDB will cause to be executed and delivered at closing, an agreement for the benefit of the owners of the Series 2017 Bonds to be delivered by the City specifying the annual financial information and event notices, if and as required, by Rule 15c2-12 of the Securities and Exchange Commission for the Series 2017 Bonds. The Chairman is authorized to take all such actions necessary in connection therewith. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement or certificate shall not be a default under the Indenture or this resolution, but any such failure shall entitle the owner or owners of any of the Series 2017 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth in said agreement or certificate, including the remedies of mandamus and specific performance.

Section 9. Filing with Division of Local Finance. The Chairman and the Secretary/Treasurer, or either of them, are hereby authorized, empowered and directed upon delivery of the Series 2017 Bonds to file with the Division of Local Finance of the State Comptroller's Office the information required by Section 9-21-151 of Tennessee Code Annotated.

Section 10. IRS Form 8038-G. The Chairman is hereby authorized, empowered and directed upon delivery of the Series 2017 Bonds to prepare and file with the Secretary of the Treasury the Statement with respect to the Series 2017 Bonds required by Section 149(e) of the Internal Revenue Code of 1986, as amended.

Section 11. Limitation of Liability. The Series 2017 Bonds, and the premium, if any, and the interest payable thereon, are all limited obligations of the IDB, and shall not be deemed to constitute a general debt or liability of the IDB, but shall be payable solely from such special sources and funds provided therefor in accordance with the provisions thereof and the provisions of the Indenture.

Section 12. Additional Authorizations. From and after the execution and delivery of the documents herein approved, the proper officers, agents and employees of the IDB are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary in connection with the issuance of the Series 2017 Bonds or to carry out and comply with the provisions of the Indenture, the Lease, the Interlocal Agreement, the Purchase Agreement of any other related documents, as executed, including, without limitation, the execution of federal tax certificates relating to the investment of funds and use of Series 2017 Bond proceeds and all other documents and certificates relating to the tax-exempt status of interest on the Series 2017 Bonds.

Section 13. Compliance With Debt Management Policy. The issuance of the Series 2017 Bonds and the request of the City for such issuance is in compliance with the Issuer's Debt Management Policy.

Section 14. Other Actions Approved. All acts and doings of the officers of the IDB which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2017 Bonds shall be, and the same hereby are, in all respects, approved, ratified and confirmed.

Section 15. Separability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 16. Repeal of Conflicting Resolutions and Effective Date. All orders and resolutions or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved on this 5th day of December, 2017.

Chairman

Attest:

Secretary/Treasurer