

INTERFUND REIMBURSEMENT AGREEMENT

This Interfund Reimbursement Agreement ("Agreement") is made and entered into by the **City of Millington**, Tennessee ("City") and the **City of Millington Board of Education** ("Board" or "District") (hereinafter referred to collectively as "the Parties") effective as of the 15th day of November 2017.

WHEREAS, the City through state legislation created a school district which has been given the title of Millington Municipal School District (the "District"); and

WHEREAS, the Board is an entity authorized pursuant to the laws of the State of Tennessee to operate a public school district within Shelby County, Tennessee; and

WHEREAS, the City will close a loan through the Tennessee Municipal Bond Fund Fixed Rate Loan Program on or about December __, 2017 in the principal amount of Four Million Eight Hundred Thousand and 00/100 Dollars (\$4,800,000.00) pursuant to the terms of Resolution ____, "Resolution Authorizing A Loan Pursuant To A Loan Agreement Between The City Of Millington, Tennessee, And The Public Building Authority Of The City Of Clarksville, Tennessee, In The Principal Amount Of Not To Exceed \$4,800,000; Authorizing The Execution And Delivery Of Such Loan Agreement And Other Documents Relating To Said Loan; Approving The Issuance Of A Bond By Such Public Building Authority; Providing For The Application Of The Proceeds Of Said Loan And The Payment Of Such Indebtedness; Consenting To The Assignment Of The City's Obligation Under Such Loan Agreement; And, Certain Other Matters" ("the Series 2017 Loan Issuance"); and

WHEREAS, the City has agreed to appropriate the entire Four Million Eight Hundred Thousand and 00/100 Dollars (\$4,800,000.00) from the Series 2017 Loan Issuance funds ("School Improvement Funds") on behalf of the District for the sole purposes of nonrecurring expenditures relating to making capital improvements for the Millington Municipal School District (the "Improvements"); and

WHEREAS, the District, has agreed to reimburse the City an amount equal to Four Million Eight Hundred Thousand and 00/100 Dollars (\$4,800,000.00) and all costs and expenses incurred by the City in connection with the Series 2017 Loan Issuance, including without limitation, financial advisory fees, attorneys' fees, and publication costs, pursuant to the terms and conditions set forth herein, plus accrued interest on such amount ("Reimbursement"); and

NOW THEREFORE, in consideration of these premises and the mutual covenants herein contained, the City and the District agree as follows:

1. Term. The term of this Agreement shall commence upon the Effective Date, as set forth in Paragraph 16 of this Agreement, and shall end upon December 1, 2037, subject to earlier termination pursuant to the terms of this Agreement (the "Term").

2. **Reimbursement Payments.** The District agrees to fully reimburse the City for the principal amount of Four Million Eight Hundred Thousand and 00/100 Dollars (\$4,800,000.00) ("Interfund Reimbursement Principal") and all costs and expenses incurred by the City in connection with the Series 2017 Loan Issuance, including without limitation, financial advisory fees, attorneys' fees, and publication costs, plus interest on such amount. The District shall pay to the City, on a biannual basis, the amounts as shown on Exhibit A, [the Final Bond Debt Service Schedule issued with the loan is closed] on the due dates as shown therein (herein the "Payments").
3. **Failure to Meet Schedule of Payments.** In the event the District shall fail to make any of the Payments, to the extent permitted by Tennessee law, the City shall have the right to withhold such amounts from any current or future local funding requirements of the City to the District until the District shall no longer be in default.
4. **Disbursements.** Disbursements of the School Improvement Funds to the District shall be made periodically by the City when draw requests are received timely to allow draws in accordance with the draw requirements for the Series 2017 Loan Issuance. Such disbursement to the District will be made within one business day of receipt of the funds from the lender. District shall provide a written request as set forth herein for funds as they are required and due to be paid by the District to the District's contractors, consultants, vendors, and/or suppliers for capital expenditures directly related to the Improvements project. Such written request shall (i) be provided on a request for funding form provided by the City and signed by the District's Superintendent and the District's construction engineering project manager and; (ii) include supporting documentation (including copies of any contracts, invoices, receipts or similar documentation) providing evidence, satisfactory to the City in its sole discretion, of all capital expenditures by the District directly associated with the Improvements project. Within five (5) days of payment to any party by the District of any amount from the School Improvement Funds, the District shall provide proof of payment to the City by either canceled check or electronic bank payment.
5. **Understanding Regarding City's Local Funding Obligation.** The District and City expressly agree that the Reimbursement is a separate transaction between the Parties reflecting obligations of the District to the City and such Reimbursement shall in no way increase the amount of the City's local funding to the Board of Education for the District's operating expenses. The Parties further agree that the distribution of funds from the Series 2017 Loan Issuance is for the sole purposes of nonrecurring capital outlay and shall in no way affect the City's maintenance of effort obligations to the District. The Parties agree that they will not directly or indirectly take any action or omit any action that, if taken or omitted, would cause the Reimbursement or the Series 2017 Loan Issuance to impact the City's maintenance of effort obligation to the District.
6. **Payments.** All payments shall be remitted to the City of Millington, Attention: Finance Director, 7930 Nelson Road, Millington, TN 38053.

7. Governing Law. This Agreement shall be exclusively governed by the laws of the State of Tennessee.

8. Notice. All notices required under this Agreement shall not be effective unless in writing and sent by certified mail to the following:

a. Notices to City of Millington Board of Education shall be sent to:

Attn: Superintendent's Office
Millington Municipal Schools
5020 Second Ave., Suite 202
Millington, TN 38053

b. Notices to City of Millington shall be sent to:

Attn: City Administrator
City of Millington
7930 Nelson Road
Millington, TN 38053

and

Attn: Finance Director
City of Millington
7930 Nelson Road
Millington, TN 38053

9. Entire Agreement. This Agreement and any attachments included herewith at the time of execution of this Agreement contain the entire agreement between the Parties as to the subject matter herein, and no statements, promises, or inducements made by any party or agent of any party that is not contained in this written Agreement shall be valid or binding.

10. Modifications in Writing. This Agreement may not be amended, enlarged, modified or altered except in writing and signed by all Parties hereto; provided, however, that the City shall have the right, in its sole discretion at any time, to refinance the Series 2017 Loan Issuance, and in such event, Exhibit A to this Agreement and the payments by the District shall be modified by the City accordingly.

11. Dispute Resolution. Whenever any dispute arises between the Parties under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute in good faith by participation in non-binding mediation as soon as feasible.

12. Assignment. The rights and obligations of this Agreement are not assignable.

13. No Consent to Breach. No consent or waiver, express or implied, by any Party to this Agreement to or of any breach or default by any other Party to this Agreement in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of the same or any other obligations hereunder. Failure on the part of any Party to this Agreement to complain of any act or failure to act of any other Party to this Agreement, or to declare such Party in default, irrespective of how long such failure continues, shall not constitute a waiver by the non-defaulting party of its rights hereunder.
14. Severability. If any provision of this Agreement is held to be invalid, unlawful, or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such invalid, unlawful, or unenforceable provision had not been a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such invalid, unlawful, or unenforceable provision or by its severance therefrom.
15. Headings. The headings in this Agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.
16. Effective Date. This Agreement shall not be binding upon the Parties until it has been properly approved by the legislative bodies of the respective Parties and has been signed by the authorized representatives of the Parties. When it has been so approved and signed, this Agreement shall be effective as of November 15, 2017.

IN **WITNESS WHEREOF**, the Parties have executed this Agreement by their duly authorized representatives on the date and year hereof.

Millington Board of Education

City of Millington

Cody Childress, Chairman

Terry Jones, Mayor

David Roper, Superintendent

ATTEST:

APPROVED AS TO FORM:

By: _____
City Clerk

Board Attorney

APPROVED AS TO FORM:

City Attorney

BOND DEBT SERVICE

CITY OF MILLINGTON, TENNESSEE
\$4,800,000 FR SCHOOL LOAN - 20 YEARS

TENNESSEE MUNICIPAL BOND FUND
FIXED RATE LOAN PROGRAM

***BASED ON INDICATIVE RATE FOR 20 YEAR TER WITH
10 YEAR RATE ADJUSTMENT***

ASSUMES ALL PROCEEDS DRAWN AT CLOSING
PRINCIPAL PAYABLE ANNUALLY; INTEREST PAYABLE SEMIANNUALLY

Dated date: December 1, 2017

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2017					
06/01/2018			73,680.00	73,680.00	
12/01/2018	177,000	3.070%	73,680.00	250,680.00	324,360.00
06/01/2019			70,963.05	70,963.05	
12/01/2019	183,000	3.070%	70,963.05	253,963.05	324,926.10
06/01/2020			68,154.00	68,154.00	
12/01/2020	188,000	3.070%	68,154.00	256,154.00	324,308.00
06/01/2021			65,268.20	65,268.20	
12/01/2021	194,000	3.070%	65,268.20	259,268.20	324,536.40
06/01/2022			62,290.30	62,290.30	
12/01/2022	200,000	3.070%	62,290.30	262,290.30	324,580.60
06/01/2023			59,220.30	59,220.30	
12/01/2023	206,000	3.070%	59,220.30	265,220.30	324,440.60
06/01/2024			56,058.20	56,058.20	
12/01/2024	213,000	3.070%	56,058.20	269,058.20	325,116.40
06/01/2025			52,788.65	52,788.65	
12/01/2025	219,000	3.070%	52,788.65	271,788.65	324,577.30
06/01/2026			49,427.00	49,427.00	
12/01/2026	226,000	3.070%	49,427.00	275,427.00	324,854.00
06/01/2027			45,957.90	45,957.90	
12/01/2027	233,000	3.070%	45,957.90	278,957.90	324,915.80
06/01/2028			42,381.35	42,381.35	
12/01/2028	240,000	3.070%	42,381.35	282,381.35	324,762.70
06/01/2029			38,697.35	38,697.35	
12/01/2029	247,000	3.070%	38,697.35	285,697.35	324,394.70
06/01/2030			34,905.90	34,905.90	
12/01/2030	255,000	3.070%	34,905.90	289,905.90	324,811.80
06/01/2031			30,991.65	30,991.65	
12/01/2031	263,000	3.070%	30,991.65	293,991.65	324,983.30
06/01/2032			26,954.60	26,954.60	
12/01/2032	271,000	3.070%	26,954.60	297,954.60	324,909.20
06/01/2033			22,794.75	22,794.75	
12/01/2033	279,000	3.070%	22,794.75	301,794.75	324,589.50
06/01/2034			18,512.10	18,512.10	
12/01/2034	288,000	3.070%	18,512.10	306,512.10	325,024.20
06/01/2035			14,091.30	14,091.30	
12/01/2035	297,000	3.070%	14,091.30	311,091.30	325,182.60
06/01/2036			9,532.35	9,532.35	
12/01/2036	306,000	3.070%	9,532.35	315,532.35	325,064.70
06/01/2037			4,835.25	4,835.25	
12/01/2037	315,000	3.070%	4,835.25	319,835.25	324,670.50
	4,800,000		1,695,008.40	6,495,008.40	6,495,008.40