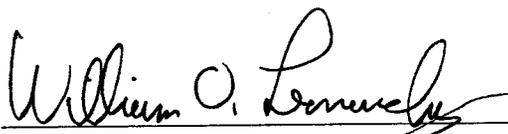


RESOLUTION NO. R-2005-35

A RESOLUTION AUTHORIZING THE MAYOR OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE TOWN OF WALDEN, TENNESSEE, HAMILTON COUNTY, TENNESSEE AND THE HAMILTON COUNTY SCHOOL BOARD FOR THE CONSTRUCTION OF A NEW HIGH SCHOOL AND MIDDLE SCHOOL BUILDING PROJECT IN THE TOWN OF SIGNAL MOUNTAIN, AS AUTHORIZED BY T.C.A. § 9-21-209, SUBJECT TO CERTAIN CONDITIONS.

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, that the Mayor is hereby authorized to execute an Interlocal Agreement with the Town of Walden, Tennessee, Hamilton County, Tennessee, and the Hamilton County School Board for the construction of a new High School and Middle School building project in the Town of Signal Mountain, as authorized by T.C.A. § 9-21-209, subject to certain conditions, as set forth in the attached Interlocal Agreement.


MAYOR

7/13/05
DATE


RECORDER

9-12-05
DATE

PAN/kac

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT is executed by and between the TOWN OF SIGNAL MOUNTAIN, TENNESSEE, THE TOWN OF WALDEN, TENNESSEE, HAMILTON COUNTY, TENNESSEE and THE HAMILTON COUNTY SCHOOL BOARD on this the 29th day of September, 2005.

WITNESSETH:

WHEREAS, T.C.A. § 9-21-208 authorizes the governing body of a local government to hold an election for ascertaining the will of the electorate concurrently with a decision of the local governing body to issue general obligation bonds for a public works project; and

WHEREAS, the TOWN OF SIGNAL MOUNTAIN and the TOWN OF WALDEN adopted election resolutions in accordance with T.C.A. § 9-21-209 and held an election for ascertaining the will of the electorate in accordance with T.C.A. § 9-21-210 on May 18, 2004 even without adopting and publishing an initial resolution issuing general obligation bonds; and

WHEREAS, HAMILTON COUNTY, TENNESSEE and the HAMILTON COUNTY SCHOOL BOARD pursuant to T.C.A. §§ 5-1-113 and 49-2-1301 et seq., known as the "Educational Cooperation Act", are authorized to enter into interlocal agreements, compacts, or contractual relations for joint or cooperative action with other political subdivisions to enable them to cooperate with other localities on a basis of mutual advantage and to thereby provide educational services and facilities in a manner that will allow development of local educational facilities and services as may be desirable or necessary; and to permit the county and municipalities to conduct, operate or maintain, either jointly or otherwise, desirable and necessary services under such terms as may be agreed upon by the county legislative body and the chief legislative bodies of the municipalities;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, all parties to this Interlocal Agreement agree as follows:

1. This Agreement shall constitute a written commitment from the legislative bodies of HAMILTON COUNTY, TENNESSEE and the HAMILTON COUNTY SCHOOL BOARD as authorized by T.C.A. § 49-2-1304 to construct a High School/Middle School building to be located within the Town of Signal Mountain on property currently owned by the HAMILTON COUNTY SCHOOL BOARD. The TOWN OF SIGNAL MOUNTAIN and the TOWN OF WALDEN agree either (a) to provide certain construction funding as construction proceeds in an amount not to exceed the cumulative total of \$10 million (\$7.7 million by Signal Mountain and \$2.3 million by Walden), or (b) to pay their pro rata share of the issuance costs and their pro rata share of principal and interest payments on the bonds issued by the County for such project with their share based on \$10 million of such bonds (\$7.7 million in bonds by the Town of Signal Mountain and \$2.3 million in bonds by the Town of Walden), subject to the following:

(a) In the event the Towns, or either of them, decide to provide the construction funds to the County rather than participating in the bonds to be issued by the County, each such Town will pay to the County a pro rata amount of the construction costs on a monthly basis upon receipt of executed requisitions for payment accompanied by copies of general contractor invoices. In no event where the Towns proceed under this subsection shall Signal Mountain be required to contribute more than a total of \$7.7 million or shall Walden be required to contribute more than \$2.3 million to the High School/Middle School project.

(b) In the event the Towns, or either of them, decide to participate in the funding of bonds issued by the County, each of the Towns will pay its pro rata share of

the issuance cost and its pro rata share of principal and interest payments relating to its pro rata share of the bonds (based on a collective maximum issuance of \$10 million in bonds) with such payments to be made to the County one business day prior to the date the County is required to make the payment to the paying agent for the bonds. In no event where the Towns proceed under this subsection, shall Signal Mountain be required to pay more than the debt service on a total of \$7.7 million in bonds nor shall Walden be required to pay more than the debt service of \$2.3 million in bonds.

(c) Debt service payments on any bonded indebtedness of not greater than \$7.7 million to be issued by the TOWN OF SIGNAL MOUNTAIN and/or any other arrangements for payment on any bonded indebtedness of not greater than \$2.3 million by the TOWN OF WALDEN may be supplemented by proceeds from the 1999 sales tax or from other revenues presently collected by both Towns.

2. The parties to this Interlocal Agreement agree that the HAMILTON COUNTY SCHOOL BOARD shall own the facilities and be entirely responsible for all operation of the schools, including without limitation, maintenance, staffing, and funding decisions of the high school/middle school operated on the property located within the Town of Signal Mountain pursuant to the authority of the HAMILTON COUNTY SCHOOL BOARD over school facilities under Tennessee law in the same manner as provided other high school/middle schools which are funded by Hamilton County during the life of this facility. Nothing in this Interlocal Agreement shall be construed to bind the TOWN OF SIGNAL MOUNTAIN or the TOWN OF WALDEN to any obligation for funding other than the payment of specified funds for construction of the school building project as set forth in this Interlocal Agreement.

3. If construction on this High School/Middle School project is not started within a reasonable period of time, which shall not be later than the date construction begins on other new high school or middle school buildings resulting from the bonds to be issued pursuant to Paragraph 1 other than the new additions to the Hunter Middle School, this action shall constitute a breach of contract and the Town of Signal Mountain and/or the Town of Walden shall not be required to make any payments under Paragraph 1.

4. By entering into this agreement, each party agrees that it obtained the appropriate authority to bind its respective political subdivisions to the terms of this agreement.

5. Should any phrase, clause, sentence, or paragraph of this Interlocal Agreement be held invalid, or unconstitutional by any court of competent jurisdiction of the State of Tennessee or the United States of America in any manner or respect whatsoever, it shall in no way affect any or all of the remaining provisions of this Interlocal Agreement, all of which shall remain in full force and effect.

6. The parties hereto agree that this Interlocal Agreement will be enforced and interpreted according to the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Interlocal Agreement is executed this 13th day of September, 2005, by and on behalf of the TOWN OF SIGNAL MOUNTAIN, TENNESSEE, by its Mayor, by and on behalf of THE TOWN OF WALDEN, TENNESSEE, by its Mayor, by and on behalf of HAMILTON COUNTY, TENNESSEE, by its County Mayor, by and on behalf of THE HAMILTON COUNTY SCHOOL BOARD by its Board Chairman.

TOWN OF SIGNAL MOUNTAIN, TENNESSEE

BY: William O. Leonard
WILLIAM O. LEONARD, Mayor

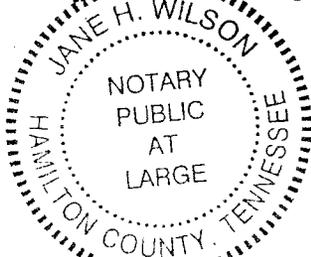
STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this the 13th day of September 2005, before me, personally appeared WILLIAM O. LEONARD with whom I am personally acquainted and who upon oath acknowledged himself to be the Mayor of the TOWN OF SIGNAL MOUNTAIN, TENNESSEE, and that he as such Mayor, being authorized so to do on behalf of said corporation pursuant to T.C.A. § 49-2-1304, upon oath acknowledged that he executed the foregoing instrument for the purpose therein contained by signing his name as Mayor.

WITNESS my hand and Notarial Seal on the day and year above written.

Jane H. Wilson
NOTARY PUBLIC AT LARGE

My Commission Expires: 3-22-08



HAMILTON COUNTY, TENNESSEE

BY: Claude Ramsey
CLAUDE RAMSEY, County Mayor

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this the 21st day of September, 2005, before me, personally appeared CLAUDE RAMSEY with whom I am personally acquainted and who upon oath acknowledged himself to be the Mayor of the COUNTY OF HAMILTON, TENNESSEE, and that he as such County Mayor, being authorized so to do by the legislative body of Hamilton County, Tennessee, pursuant to T.C.A. § 49-2-1304 upon oath acknowledged that he executed the foregoing instrument in his capacity as County Mayor for the purposes therein contained on behalf of Hamilton County, Tennessee.

WITNESS my hand and Notarial Seal on the day and year above written.

Debra K. Reeves
NOTARY PUBLIC AT LARGE

My Commission Expires: 4-6-2006

TOWN OF WALDEN, TENNESSEE

BY: *P. Hetzler*
PETER HETZLER, Mayor

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this the 28 day of September, 2005, before me, personally appeared PETER HETZLER with whom I am personally acquainted and who upon oath acknowledged himself to be the Mayor of the TOWN OF WALDEN, TENNESSEE, and that he as such Mayor, being authorized so to do on behalf of said corporation pursuant to T.C.A. § 49-2-1304, upon oath acknowledged that he executed the foregoing instrument for the purpose therein contained by signing his name as Mayor.

WITNESS my hand and Notarial Seal on the day and year above written.

Janet G. Daniel
NOTARY PUBLIC AT LARGE

My Commission Expires: 7/12/08



HAMILTON COUNTY SCHOOL BOARD

BY: *Jesse B. Register*
JESSE B. REGISTER, Superintendent

BY: *Chip Baker*
CHIP BAKER, Board Chairman

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this the 20th day of September, 2005, before me, personally appeared JESSE B. REGISTER and CHIP BAKER with whom I am personally acquainted and who upon oath acknowledged themselves to be the Superintendent and the Board Chairman of the HAMILTON COUNTY SCHOOL BOARD, respectively, and that they, as such Superintendent and Board Chairman, being authorized so to do on behalf of said school board pursuant to T.C.A. § 49-2-1304, upon oath acknowledged that they executed the foregoing instrument for the purpose therein contained by signing their names as Superintendent and as Board Chairman.

WITNESS my hand and Notarial Seal on the day and year above written.

Peggy J. Radcliffe
NOTARY PUBLIC AT LARGE

My Commission Expires: 4-26-08

