

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement (the "Agreement") is made and entered into by and between the City of Madison, Mississippi, a municipal corporation organized and existing under the laws of the State of Mississippi (the "City"), and Madison County, Mississippi, a political subdivision of the State of Mississippi (the "County"), pursuant to the Mississippi Interlocal Cooperation Act of 1974, codified at Section 17-13-1, et seq., Mississippi Code of 1972, as amended (the "Interlocal Act"), on the date set forth hereinafter.

RECITALS:

WHEREAS, the City and County agree, find and determine as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Bond Payments" shall mean payments of principal of, premium, if any, and interest on the Bonds, and paying agent charges pertaining to the Bonds and such charges, deposits or payments for a debt service reserve, bond insurance and any other payments as are provided for in the Bond Resolution regarding the payment of and security for the Bonds, and specifically including any prepayments of principal on the Bonds. Such Bond Payments shall begin on such date as is specified in, or as directed by the Bond Resolution.

"Bond Resolution" shall mean the resolution of the City authorizing and directing the issuance of the Bonds, or any series thereof.

"Bonds" shall mean the tax increment financing bonds of the City in the maximum principal amount of \$12,000,000, which may be issued in one or more series in one or more years, to finance the costs of the Infrastructure Improvements supporting the Project and any bonds issued to refund such bonds.

"Captured Assessed Value" shall mean, with respect to real and personal property within the City TIF District working within the County TIF District, respectively, the amount by which the "current assessed value" of such property exceeds the "original assessed value" as such terms are defined in Section 21-45-21, Mississippi Code of 1972.

"Chancery Clerk" shall mean the Chancery Clerk of the County.

"City" shall mean the City of Madison, Mississippi.

"City Ad Valorem TIF Revenues" shall mean the additional ad valorem tax revenue received by the City resulting from ad valorem taxes of the City on the Captured Assessed Value of real and personal property within its TIF District.

"City Redevelopment Plan" shall mean the Tax Increment Redevelopment Plan of 2002, of the City of Madison, Mississippi August 2002, as amended from time to time.

Interlocal Cooperation Agreement by and between the City of Madison, Mississippi and Madison County, Mississippi

"City TIF Plan" shall mean the Tax Increment Financing Plan of 2002, City of Madison, Mississippi (Grandview Development Project) adopted on August 20, 2002, and as amended from time to time, including the amendments dated June 21, 2005, October 19, 2010, January 4, 2011 and March 17, 2015.

"City TIF Revenues" shall mean the City Ad Valorem TIF Revenues and the Sales Tax TIF Revenues.

"Clerk" shall mean the City Clerk of the City.

"Costs of the Infrastructure Improvements" shall mean any or all of the costs of acquisition and construction of the Infrastructure Improvements, together with related engineering fees, attorney's fees, TIF Plan preparation fees, capitalized interest and other related soft costs.

"County" shall mean Madison County, Mississippi.

"County Ad Valorem TIF Revenues" shall mean the additional ad valorem tax revenue received by the County resulting from ad valorem taxes of the County on the Captured Assessed Value of real property within the boundaries of its TIF District.

"County Portion" shall mean up to fifty percent (50%) of the increased ad valorem taxes on real and personal property in its TIF District, in the manner provided in Section 11 of this Agreement. The County Portion is dedicated to the cost of Infrastructure Improvements associated with parks and public recreation improvements.

"County Redevelopment Plan" shall mean the Tax Increment Redevelopment Plan, July 2004, as amended, Madison County, Mississippi.

"County TIF Plan" shall mean the Madison County Tax Increment Financing Plan, Madison County, Mississippi 2015 (Grandview Development Project), approved by the County on May 4, 2015.

"Developer" shall mean Sam's Real Estate Business Trust, a Delaware statutory trust, or any successors or assigns thereof, the developer of the Project.

"Development Agreement" shall mean the Development Agreement dated as of January 7, 2014 by and between the City and the Developer.

"Final Bond Payment Date" shall mean the date on which all of the Bond Payments have been made, whether before, on or after the last scheduled Principal Payment Date.

"Infrastructure Improvements" shall mean infrastructure improvements supporting the Project to be financed through the Bonds which may include, without limitation, installation and/or relocation of utilities such as water, sanitary sewer, burying and relocation of electrical lines, construction of drainage improvements, construction of roadways with curb and gutter, concrete walks, sidewalks, lighting, site demolition and grading, installation of signage,

landscaping of rights-of-way, irrigation, parks and public recreation improvements, related engineering fees, attorney's fees, TIF Plan preparation fees, capitalized interest, and other related soft costs, including without limitation the Developer's Infrastructure Improvements as such term is defined in the Development Agreement.

"Madison Grandview Phase 3 TIF Fund" shall mean the fund of that name created pursuant to Section 11 hereof.

"Mayor" shall mean the Mayor of the City.

"Payment Date" shall mean any date on which interest or principal and interest on the Bonds is scheduled to be made.

"Principal Payment Date" shall mean with respect to any of the Bonds, any Payment Date on which principal is scheduled to be paid (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

"Project" shall mean the development of approximately 140,211 square foot Sam's Club at the intersection of I-55 and Madison Avenue, being more particularly described in the Development Agreement and being a part of the TIF District as established by the City TIF Plan and the County TIF Plan.

"Sales Tax TIF Revenues" shall mean the increase in the amount of the municipal sales tax diversion received by the City from sales taxes collected within the boundaries of the TIF District, calculated in the manner set forth in Section 21-45-21, Mississippi Code of 1972.

"Tax Increment" shall mean the incremental increase in tax revenues within the City TIF District and the County TIF District, respectfully, as provided in the City TIF Plan and the County TIF Plan, respectfully, including a pledge of the incremental increase in tax revenues derived from (i) sales tax rebates to the City within its City TIF District, (ii) certain ad valorem revenues to the City generated from the "captured assessed value" (as defined in the Act) of the real and personal property within its City TIF District, excluding levies for public school purposes to secure and provide for the payment of the principal of and interest on the Bonds, and (iii) certain ad valorem revenues to the County generated from County ad valorem taxes on the "captured assessed value" (as defined in the Act) of the real and personal property within its City TIF District, excluding levies for public school purposes, to secure and provide for the payment of the principal of and interest on the Bonds.

"Tax Increment Financing District" or "TIF District" shall mean the property area included in the City TIF Plan and in the County TIF Plan.

"TIF Act" shall mean the Tax Increment Financing Act, Sections 21-45-1 *et seq.*, Mississippi Code of 1972, as amended.

"TIF Revenues" shall mean the County Portion and the City TIF Revenues.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

2. On March 17, 2015, the City approved its City TIF Plan and pursuant to which its City TIF District would be established as described therein to provide financial support for the Project.

3. On May 4, 2015, the County approved a tax increment financing plan consistent with the City TIF Plan and with the same boundaries for the County TIF District as provided in the City TIF Plan for the City TIF District, as such terms are defined in the County TIF Plan.

4. The Developer proposes to construct the Project and the Infrastructure Improvements. The City desires to issue the Bonds to assist in the financing of the acquisition and construction of the Infrastructure Improvements in order to promote economic development and assist in the creation of jobs and to promote the economic, social and general welfare of both the City and the County.

5. The governing authorities of the City and the County desire to enter into a joint effort to make the most efficient use of their powers and enable them to promote economic development and to assist in the creation of jobs and to promote the general welfare of the City and County and the citizens of each.

6. In order that the Bonds may be issued and sold and the payment of the Bonds properly provided for, it is necessary that the term of this Agreement shall extend through the Final Bond Payment Date of the Bonds, none of which shall have a scheduled maturity later than Seventeen (17) years from the dated date thereof.

7. In order to provide for the Infrastructure Improvements and to enable the acquisition and construction by the Developer of the Project, it is necessary and in the public interest for the City to cooperate with the County by entering into this Agreement pursuant to the TIF Act.

8. In order to provide for the Infrastructure Improvements and to enable the acquisition and construction by the Developer of the Project, it is necessary and in the public interest for the County to cooperate with the City by entering into this Agreement pursuant to the TIF Act. The County Portion shall be dedicated to the cost of Infrastructure Improvements associated with parks and public recreation improvements. However, any additional revenues generated through the City's TIF revenues may, in the discretion of the City, also be used for parks and public recreation improvements.

9. It is agreed and understood that the City has developed the City TIF Plan and established the Tax Increment Financing District in order to provide for the issuance and sale of the Bonds to finance the Infrastructure Improvements, and it is agreed and understood that the

City may, in its discretion, include as sources of payment for the Bonds and pledge to the extent deemed necessary and appropriate all or any portion of the TIF Revenues.

10. It is agreed and understood that the County has developed the County TIF Plan and established the Tax Increment Financing District in order to provide for the issuance and sale of the Bonds to finance the Infrastructure Improvements, and it is agreed and understood that the County may, in its discretion, include as sources of payment for the Bonds and pledge to the extent deemed necessary and appropriate all or any portion of the County Portion.

11. The City and the County desire to enter into this Agreement for the purposes of (i) assisting in the financing of the Costs of the Infrastructure Improvements and (ii) satisfying the requirements of the TIF Act.

12. The County has agreed to divert the County Portion of its County Ad Valorem TIF Revenues from the TIF District to be used for the Bond Payments as hereinafter set forth.

13. In order to ensure that sufficient moneys are available for the Bond Payments and to enhance the marketability of the Bonds, the City has agreed that it will divert a sufficient portion of the City TIF Revenues to be used for Bond Payments.

14. It is necessary for the City and the County to enter into this Agreement pursuant to the TIF Act and the Interlocal Act in order to enable the City to issue and sell the Bonds, and to provide for the securing of the Bonds and the payment of the Bond Payments from the TIF Revenues.

15. The Act authorizes the City to issue the Bonds for the financing of all or a portion of the Costs of the Infrastructure Improvements.

16. The City hereby agrees that it will issue the Bonds for the purpose of assisting the financing of the Infrastructure Improvements. The Bond Payments shall be the responsibility of the City and shall be payable from the TIF Revenues.

17. It is in the best interests of the citizens of the City that the City enter into and execute the Agreement.

18. It is in the best interests of the citizens of the County that the County enter into and execute the Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE ABOVE AND THE MUTUAL BENEFITS ACCRUING TO THE CITY AND THE COUNTY, THE CITY AND THE COUNTY DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Duration. This Agreement shall be in force and effect until terminated in accordance with the provisions of Section 6 hereof.

SECTION 2. Purpose. The purpose of this Agreement is to define the respective responsibilities of the City and the County with regard to the financing of the Infrastructure Improvements and the payment of the Bonds.

SECTION 3. Organization; Statutory Authority. There will be no separate legal or administrative entity created pursuant to this Agreement. The City and County are authorized by the TIF Act to jointly exercise and carry out the powers, authorities, and responsibilities to be exercised by each of them pursuant to the terms of this Agreement.

SECTION 4. Financing, Staffing and Supplying. (a) The Infrastructure Improvements shall be financed as a joint undertaking of the City and the County. All of the staffing pertaining to the acquisition and/or construction of the Infrastructure Improvements and the issuance of the Bonds will be provided by the City, except as may be otherwise provided herein. The City and the County hereby designate and authorize the City to exercise all powers needed to carry out and assist in the development of the Project and the Infrastructure Improvements, including but not limited to the power to issue the Bonds to finance part of the Costs of the Infrastructure Improvements, and to reimburse the Developer or any contractor hired by or with the approval of the City from proceeds of the Bonds, for any advances made by the Developer to acquire and/or construct the Infrastructure Improvements in anticipation of the issuance of the Bonds.

(b) The City will establish a budget which may be included as a part of the City's budget for the receipts and expenditures pertaining to the Project and to the Bond Payments. The City is hereby designated to receive from the County, disburse and account for the County Portion of the County Ad Valorem TIF Revenues to be received from the County and shall receive, disburse and account for all funds of the Agreement.

SECTION 5. Operation of Agreement and the Infrastructure Improvements. The operation of the Agreement and of the Infrastructure Improvements shall be carried out by the City as described in Section 4 of this Agreement and as may be otherwise provided herein, pursuant to the TIF Act.

SECTION 6. Termination; Disposition of Property. This Agreement will terminate as set out in Section 10 hereof. Except for those Infrastructure Improvements to be dedicated to the City, at the termination of the Agreement any property owned by the City and Developer, respectively, shall remain their property. The Infrastructure Improvements to be owned by the City shall be dedicated to the City as a condition for reimbursement to the Developer for the costs of the Infrastructure Improvements to be paid from proceeds of the Bonds.

SECTION 7. Amendment. This Agreement may be amended at any time by the mutual consent of the City and the County by an agreement entered into pursuant to the provisions of the Interlocal Act and the TIF Act. No such amendment shall have a material adverse effect on the ability of the City to make the Bond Payments.

SECTION 8. Administration of Issuance of Bonds. The provision for the administration of issuance of the Bonds and the payment thereof is provided for in Section 4 hereof, pursuant to the Interlocal Act and the TIF Act.

SECTION 9. Manner of Acquiring, Holding and Disposing of Property; Cooperation Concerning Property Matters. (a) The City has entered into a Development Agreement, dated as of January 7, 2014, with the Developer for, among other things, the dedication and conveyance to the City of any and all Infrastructure Improvements owned by the Developer to be dedicated to and owned by the City and the reimbursement to the Developer of all or a portion of its expenditures for the Infrastructure Improvements not to exceed the Developer's Allocation of the Bonds (as such term is defined in the Development Agreement).

(b) The City shall have the right, at its request, to review and approve the plans, specifications and expenditures for all Infrastructure Improvements. The City and the County shall have access to all records pertaining to the acquisition and construction of the Infrastructure Improvements, and no changes which materially affect the overall scope thereof will be carried out without the written consent of the City.

(c) The County will grant to the City any necessary construction and maintenance easements on property on which the County can grant such rights to aid in the acquisition and/or construction of the Infrastructure Improvements.

SECTION 10. Term of Bonds; Terms and Conditions That Will Cause Agreement to Be Terminated. The term of the Bonds shall not exceed Seventeen (17) years. The Agreement will be terminated on the later of (1) the payment in full of the Bond Payments or (2) to the extent there is any deficiency owed by the County to the City, pursuant to Section 11 herein, then the date of payment of any such deficiency, but in no event later than twenty (20) years from the date hereof. However, the obligations of the City and the County, respectively, incurred during the term of this Agreement shall not lapse due to a failure or refusal of the party owing such obligation.

SECTION 11. Manner in Which the Costs of the Infrastructure Improvements Shall be Shared.

(a) The City has approved its City Redevelopment Plan and its City TIF Plan, and has created its City TIF District. The City will issue the Bonds for the purpose of financing the Infrastructure Improvements associated with the Project. The Bond Payments shall be the responsibility of the City and shall be paid from the TIF Revenues.

(b) The County has approved its County Redevelopment Plan and its County TIF Plan, and has created its County TIF District. The Bond Payments shall be the responsibility of the City and shall be paid from the TIF Revenues.

(c) There shall be created by the City a "Madison Grandview Phase 3 TIF Fund" which will be held as a separate fund by the City. The City will provide to the County a schedule of Bond Payments, which schedule may be adjusted from time to time to account for any changes in fees of the Paying Agent, prepayments of principal, or other change in Bond Payments.

(d) The County Portion is dedicated to the County Infrastructure Improvements portion of the Infrastructure Improvements. To provide for the Bond Payments, the County will pay to the City annually on or before May 15 of each year the County Portion of its County Ad Valorem TIF Revenues equal to the lesser of: (1) fifty percent (50%) of its County Ad Valorem TIF Revenues received during the twelve (12) month period ending on the last day of April next preceding; or (2) the amount of principal and interest to mature and accrue on the Bonds on the then next two (2) succeeding Bond Payments. The City shall provide a statement of the amount required each year for the Bond Payments to the Chancery Clerk, and any supporting information reasonably requested. Such County Portion received by the City is credited to the Madison Grandview Phase 3 TIF Fund and disbursed as provided in Subsection (e) of this Section.

(e) To provide for the Bond Payments, the City will divert a sufficient amount of its City TIF Revenues and deposit same into the Madison Grandview Phase 3 TIF Fund to provide for the payment of the principal of and interest on the Bonds as the same shall mature and come due.

(e) (1) Within the sole discretion of the City in the event that a debt service reserve fund is required for the sale of the Bonds, or is in the best interest of the City, then the City may provide for the establishment of such fund in the Bond Resolution; provided, however, that such debt service reserve fund, if any, shall not operate to reduce the amount of the annual payments to be made by the County provided herein.

(2) Provided, however, that in the event that the City does establish a debt service reserve fund, the debt service reserve fund will be used for the final Bond Payment. To the extent that the moneys provided by the County, together with any moneys from such debt service reserve fund, exceed the amount needed for the final Bond Payment, then any surplus moneys shall be returned to the County.

SECTION 12. TIF Revenues from the Tax Increment Financing District; Security for Bond Payments. It is agreed that the City may include as sources of payment for the Bonds and pledge the TIF Revenues provided for in Section 11 herein for the Bond Payments.

SECTION 13. Effective Date. This Agreement will be effective when it is approved by the respective governing bodies of the City and the County and by the Mississippi Attorney General. The initial term of this Agreement shall commence on the effective date hereof and extend through the Final Bond Payment Date.

WITNESS the signatures of the duly authorized officers of the City and the County as of the _____ day of _____, 2015.

CITY OF MADISON, MISSISSIPPI

Mary Hawkins Butler, Mayor

ATTEST:

Susan Crandall, City Clerk

(SEAL)

MADISON COUNTY, MISSISSIPPI

Karl M. Banks, President, Board of Supervisors

ATTEST:

Ronny Lott, Chancery Clerk and
Clerk, Board of Supervisors

(SEAL)