

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT was made and entered into this __ day of October, 2021, by and between the City of Lake Wales, Florida, a municipal corporation organized and existing under the laws of the State of Florida (hereinafter referred to as "City"), and the Lake Wales Community Redevelopment Agency, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "CRA");

W I T N E S S E T H:

WHEREAS, the City created the CRA pursuant to Part III, Chapter 163, Florida Statutes, as amended (the "Redevelopment Act"), by enacting Ordinance 85-10 on December 3, 1985 (as amended, the "CRA Charter"); and

WHEREAS, in accordance with Section 163.355 of the Redevelopment Act, the City determined that certain areas within the City were appropriate for redevelopment and made findings of necessity for such areas; and

WHEREAS, such areas were established by Ordinance 87-11 enacted on June 30, 1987 ("Area 1"), Resolution 99-02 adopted on May 4, 1999 ("Area 2") and Ordinance 90-05 enacted on June 19, 1990 ("Area 3," and together with Area 1 and Area 2, the "Redevelopment Area"); and

WHEREAS, the CRA is charged with implementing the Lake Wales Community Redevelopment Plan (the "Plan") approved and adopted by City pursuant to its Resolution 99-06 adopted on June 1, 1999, as amended from time to time and particularly as amended by Resolution 2002-03 adopted on May 7, 2002, Resolution 2003-26 adopted on September 2, 2003, Resolution 2006-04 adopted on March 7, 2006, Resolution 2007-14 adopted on June 19, 2007, Resolution 2018-12 adopted on May 15, 2018, and a resolution adopted on October 19, 2021; and

WHEREAS, the CRA is authorized by the Redevelopment Act and the CRA Charter to exercise community redevelopment powers in the Redevelopment Area to eliminate, rehabilitate and prevent conditions of blight therein pursuant to the Redevelopment Plan; and

WHEREAS, the CRA has determined that in order to implement the Plan it is desirable to finance the construction, acquisition, renovation, improvement and equipping of certain capital projects described in the Plan; and

WHEREAS, the City established the Redevelopment Trust Fund in Ordinance No. 87-8, enacted on June 30, 1987, as amended and supplemented, thereby providing for the collection and deposit of the revenues received by the City which derive from the Redevelopment Area and which represent the tax increment (the "Tax Increment Revenues") to be used for the sole benefit of the CRA; and

WHEREAS, the City adopted Resolution 2021-__ on October 19, 2021 (the "Note Resolution"), authorizing issuance of the CRA's not to exceed \$18,500,000 principal amount of a Redevelopment Revenue Note, Series 2021 (the "Series 2021 Note"); and

WHEREAS, the CRA has requested that the City enter into an Interlocal Agreement pursuant to which the City will covenant to budget and appropriate certain legally available non-ad valorem revenues of the City as a secondary pledge to secure the CRA's financial obligations under the Note Resolution.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties hereby agree as follows:

Section 1. Incorporation of Recitals. The above set forth recitals are hereby incorporated into the terms of this Interlocal Agreement.

Section 2. Definitions. Capitalized terms not otherwise defined herein shall have the meaning as set forth in the Note Resolution.

Section 3. Covenant to Budget and Appropriate Non-Ad Valorem Revenues. Subject to the next paragraph, the City covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay principal of and interest on the Series 2021 Note not being paid from Tax Increment Revenues or from other amounts as the same shall become due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be

cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted and appropriated. The City further acknowledges and agrees that the obligations of the City to include the amount of any deficiency in payments in each of its annual budgets and to pay such deficiencies from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Note Resolution.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the holder of the Series 2021 Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in the Note Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no holder of the Series 2021 Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City. Notwithstanding any provisions of the Note Resolution or the Series 2021 Note to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither the Note Resolution nor the obligations of the City hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the City, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 166.241, Florida Statutes, and is subject, further, to the

payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City.

Section 4. CRA Covenant to Reimburse the City. The CRA covenants that it shall reimburse the City for all Non-Ad Valorem Revenues applied to pay principal of and interest on the Series 2021 Note. Said reimbursement shall be subject to and limited by the following priority for CRA expenditures. To the extent permitted by the Redevelopment Act and any and all other applicable provisions of law, the CRA shall apply all Tax Increment Revenues: (i) to the payment of principal and interest on the Series 2021 Note, the Series 2007 Note, and any other debt obligation of the CRA issued in parity therewith; (ii) to pay for all necessary expenses incurred directly by the CRA, including, but not limited to administrative and overhead costs, design, planning, and construction of redevelopment projects; and (iii) to reimburse the City for all amounts of Non-Ad Valorem Revenues applied to pay principal of and interest on the Series 2021 Note pursuant to this Interlocal Agreement and the Note Resolution.

Section 5. No General Obligation or Pledge of Full Faith and Credit. The Series 2021 Note shall not constitute a general obligation of the City or the CRA within the meaning of any constitutional, statutory, or charter provision or limitation or a pledge of City's or CRA's full faith and credit, but shall be payable as to principal and interest on the Series 2021 Note solely from the Tax Increment Revenues and from the Non-Ad Valorem Revenues as defined and in the manner described in the Note Resolution.

Section 6. Duration. This Interlocal Agreement shall remain in full force and effect for so long as all or a portion of the Notes remain outstanding or until such time when the Series 2021 Note is legally or economically defeased.

Section 7. Modification. No modification or amendment of the terms hereof shall be valid unless in writing, and executed by the parties hereto.

[Remainder of page intentionally left blank]

Section 8. No Third Party Beneficiaries. This Interlocal Agreement is for the sole benefit of the parties hereto; and there are no other third party beneficiaries of this Interlocal Agreement.

IN WITNESS WHEREOF, the parties have caused this Interlocal Agreement to be executed and their signatures to be affixed hereto this __ day of October, 2021.

(SEAL)

**CITY COMMISSION OF THE
CITY OF LAKE WALES, FLORIDA**

ATTEST:

By: _____
MAYOR

CITY CLERK

(SEAL)

**LAKE WALES COMMUNITY
REDEVELOPMENT AGENCY**

ATTEST:

By: _____
CHAIRPERSON

SECRETARY