

**FIRST SUPPLEMENTAL LEASE AGREEMENT** between **THE RUSSELL COUNTY PUBLIC BUILDING AUTHORITY**, a public corporation under the laws of the State of Alabama (herein called the "Authority"), and **RUSSELL COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the "County").

### RECITALS

The Authority and the County have heretofore entered into a Lease Agreement dated as of April 1, 2008 (herein called the "Original Lease"), in and by which the Authority has leased to the County the "County Buildings" therein described (herein called the "Original Project"). The costs of acquiring, constructing and equipping the Original Project have been financed in part through the issuance by the Authority of a series of revenue warrants pursuant to a Mortgage and Trust Indenture dated as of April 1, 2008 (herein called the "Original Indenture"), from the Authority to U.S. Bank National Association, as trustee (said bank in its capacity as trustee under the Original Indenture, as well as any successor trustee thereunder, being herein called the "Trustee"). The warrants now outstanding under the Original Indenture consist of the Authority's Revenue Warrants (Russell County Public Buildings Project), Series 2008, dated April 1, 2008 (herein called the "Series 2008 Warrants"), originally issued in the aggregate principal amount of \$7,935,000 and now outstanding in the aggregate principal amount of \$5,880,000.

The County has now requested the Authority to refund and retire the Series 2008 Warrants in order to enable the County to reduce its payments for the rental of the Original Project. The County has also requested the Authority to acquire certain existing buildings, as well as the land upon which such buildings are located, to make certain renovations and improvements to such buildings, and to acquire and install various items of furnishings and equipment for use therein (such buildings, land and items of furnishings and equipment being herein together called the "Project Improvements"). Simultaneously with the execution and delivery hereof, the Authority is therefore issuing its \$6,505,000 in principal amount Revenue Warrants (Russell County Public Buildings Project), Series 2017 (herein called the "Series 2017 Warrants"), in order to refund and retire the Series 2008 Warrants and to finance the costs of the Project Improvements.

The Series 2017 Warrants are being issued under the Original Indenture, as supplemented and amended by a First Supplemental Indenture dated as of February 1, 2017 (herein called the "First Supplemental Indenture"). The Original Indenture, as supplemented and amended by the First Supplemental Indenture, is herein called the "Indenture".

NOW, THEREFORE, in consideration of the respective agreements on the part of the Authority and the County hereinafter contained, the Authority and the County do hereby agree as follows:



STATE OF ALA. RUSSELL CO.

I CERTIFY THIS INSTRUMENT WAS FILED ON  
DEED 01349 PG 0331-0347 2017 Feb 23 01:59PM

Afford M. Harden Jr.  
JUDGE OF PROBATE

INDEX	\$0.00
REC FEE	\$0.00
CERT	\$0.00
NO DEED TAX	
CASH TOTAL	\$0.00
81734	

Clerk: DIANE 02:00PM

*Handwritten:* D. W. Harden Jr. Judge of Probate

## ARTICLE I

### DEFINITIONS

#### Section 1.1    **New Definitions.**

Unless the context clearly indicates a different meaning, the following words and phrases, as used in this First Supplemental Lease Agreement, in addition to the words and phrases defined above, shall have the following respective meanings:

**"Additional Project Building"** means the building that is now situated on the Additional Project Site.

**"Additional Project Building Improvements"** means the various renovations and improvements to the Additional Project Building the costs of which are to be paid, in whole or in part, with proceeds of the Series 2017 Warrants.

**"Additional Project Site"** means the parcel of land that is specifically described in Exhibit A hereto, upon which the Additional Project Building is now situated.

**"Construction Fund"** means the Russell County Public Building Authority 2017 Project Improvements Construction Fund created in Section 4.2 of the First Supplemental Indenture.

**"First Supplemental Indenture"** means the First Supplemental Indenture between the Authority and the Trustee dated as of February 1, 2017, under which the Series 2017 Warrants are authorized to be issued, as said First Supplemental Indenture now exists and as it may hereafter be supplemented and amended.

**"First Supplemental Lease" or "this First Supplemental Lease Agreement"** means this First Supplemental Lease Agreement as it now exists and as it may from time to time be modified, supplemented or amended as permitted by Article XV of the Original Indenture.

**"New Project Equipment"** means all items (whether or not fixtures) of equipment, furniture, furnishings or other personal property the costs of which have been paid, in whole or in part, from the proceeds of the Series 2017 Warrants.

**"Original Project "** means the "County Buildings" as defined in the Original Indenture.

**"Original Project Sites"** means the "County Buildings Sites" as defined in the Original Indenture.

**"Project"** means the Original Project and the Project Improvements.

**"Project Buildings"** means the County Courthouse, the Government Building and the Additional Project Building.

**"Project Improvements"** means the Additional Project Building, the Additional Project Site and the New Project Equipment.

**"Project Improvement Costs"** means the following: (i) all costs and expenses incurred in connection with the planning, development and design of the Project Improvements, including the costs of preliminary investigations, surveys, estimates and plans and specifications; (ii) all costs and expenses of acquiring the Additional Project Building and the Additional Project Site, (iii) all costs and expenses of constructing the Additional Project Building Improvements; (iv) all costs and expenses of acquiring the New Project Equipment; (v) the costs of contract bonds and of insurance of all kinds which may be necessary or desirable in connection with the Project Improvement Work which are not paid by any contractor or otherwise provided for; (vi) all expenses incurred in connection with the issuance and sale of the Series 2017 Warrants, including (without limitation) all legal, accounting, financial, underwriting, printing, recording and filing fees and expenses and the initial charge of the Trustee; (vii) interest on moneys borrowed by the Authority to pay Project Improvement Costs; (viii) all other costs which the Authority or the County has heretofore agreed to pay, under the terms of any contract or contracts, in connection with the Project Improvement Work; and (ix) the reimbursement to the County of all amounts paid directly by the County in respect of any of the aforesaid costs and expenses and of all amounts advanced by the County to the Authority for the payment of such costs and expenses.

**"Project Improvement Work"** means (i) the acquisition of the Additional Project Site and the Additional Project Building, (ii) the planning, design and construction of the Additional Project Building Improvements in accordance with the provisions hereof, and (iii) the planning, design and acquisition of the New Project Equipment and the installation thereof on one of the Original Project Sites or the Additional Project Site, all in accordance with the provisions hereof.

**"Project Sites"** means the Original Project Sites and the Additional Project Site.

#### **Section 1.2 Definitions Contained in the Indenture or the Lease.**

The First Supplemental Indenture is being executed and delivered simultaneously with the delivery hereof, and the terms and conditions thereof are hereby made a part of this First Supplemental Lease Agreement as fully and completely as if set out in full herein. Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in this First Supplemental Lease Agreement as defined terms without being herein defined shall have the meanings respectively given them in the Indenture or in the Original Lease if they are therein defined.

As used herein, unless the context clearly indicates a different meaning, the term "Lease" means the Original Lease, as supplemented and amended by the First Supplemental Lease Agreement.

**Section 1.3 Reference to the Warrants, the Original Lease and the Original Indenture in the Lease.**

The County and the Authority acknowledge and agree that, from and after the issuance by the Authority of the Series 2017 Warrants, any reference in the Lease to the "Warrants" shall, unless the context clearly and unequivocally indicates otherwise, be construed to include the Series 2017 Warrants.

The County and the Authority further acknowledge and agree that, from and after the delivery of this First Supplemental Lease Agreement and the issuance by the Authority of the Series 2017 Warrants,

(a) any reference in the Original Lease to "the Indenture" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Original Indenture as supplemented and amended by the First Supplemental Indenture; and

(b) any reference in the Original Lease to "the Lease" or "this Lease Agreement" or the use of any word or phrase intended to refer to the Original Lease, as for example, but without limitation thereto, the words "hereof," "herein" or "hereunder," shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Original Lease as supplemented and amended by this First Supplemental Lease Agreement.

The other provisions of the Original Lease, to the extent they are not inconsistent with the provisions hereof, shall also apply to this First Supplemental Lease Agreement.

**Section 1.4 Use of Phrases.**

"Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this First Supplemental Lease Agreement as an entirety and not solely to the particular portion in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

**ARTICLE II**

**REPRESENTATIONS AND WARRANTIES**

**Section 2.1 Representations and Warranties by the Authority.**

The Authority makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Organization. The Authority is a public corporation organized and existing under the laws of the State of Alabama. The Authority is not in default under any of the provisions of the Lease or the Indenture.

(b) Litigation. There are no actions, suits or proceedings pending (nor, to the knowledge of the Authority, are any actions, suits or proceedings threatened) against or affecting the Authority or any property of the Authority in any court, or before an arbitrator of any kind, or before or by any governmental body, which might materially and adversely affect the transactions contemplated by this First Supplemental Lease Agreement or which might adversely affect the validity or enforceability of this First Supplemental Lease Agreement or any other agreement or instrument to which the Authority is or is to be a party relating to the transactions contemplated by this First Supplemental Lease Agreement.

(c) Sale and Other Transactions are Legal and Authorized. The sale and issuance of the Series 2017 Warrants, the execution and delivery of this First Supplemental Lease Agreement and the First Supplemental Indenture, and the compliance with all the provisions of each thereof and of the Series 2017 Warrants by the Authority (i) are within the power and authority of the Authority, (ii) will not conflict with or result in a breach of any of the provisions of, or constitute a default under, or result in or require the creation of any lien or encumbrance (other than Permitted Encumbrances) upon any property of the Authority under any agreement or other instrument to which the Authority is a party or by which it may be bound, or any license, judgment, decree, order, law, statute, ordinance or governmental regulation applicable to the Authority, and (iii) have been duly authorized by all necessary corporate action on the part of the Authority.

(d) Governmental Consents. No relationship between the Authority and any other Person, nor any circumstance in connection with the offering, sale, issuance or delivery of any of the Series 2017 Warrants is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental body on the part of the Authority in connection with the execution, delivery and performance of either this First Supplemental Lease Agreement or the First Supplemental Indenture or the offering, sale, issuance or delivery of any of the Series 2017 Warrants, other than the due filing and/or recording of this First Supplemental Lease Agreement and the First Supplemental Indenture.

(e) No Default. No event has occurred and no condition exists which would constitute an "Event of Default" under the Indenture, as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or with the giving of notice or both. The Authority is not in default under the Act, its Certificate of Incorporation, its Bylaws, or any agreement or instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would adversely affect the existence of the Authority, its corporate power to carry out the transactions contemplated by this First Supplemental Lease Agreement or the validity of any of the Series 2017 Warrants or the security therefor.

(f) The Series 2017 Warrants. The Series 2017 Warrants, when issued and paid for in accordance with this First Supplemental Lease Agreement and the First Supplemental Indenture and when duly authenticated by the Trustee, will constitute legal, valid and binding special or limited obligations of the Authority payable solely from the sources provided in the Indenture.

(g) Nature and Location of the Project. The Original Project, as enlarged and improved by the Project Improvements, will constitute a "Project" within the meaning of the Act, as now existing. As of the delivery of this First Supplemental Lease Agreement, the Project Sites are located wholly within the now existing geographic boundaries of the County.

## Section 2.2 Representations and Warranties by the County.

The County makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Status of the County. The County is a political subdivision of the State of Alabama, and as such the County has full power and authority to enter into the Lease and to consummate the transactions contemplated thereby.

(b) Authorization and Validity of this First Supplemental Lease Agreement. The County has, by all necessary action, duly authorized the execution, delivery and performance of this First Supplemental Lease Agreement, and when duly executed and delivered by the Authority, this First Supplemental Lease Agreement will constitute a legal, valid and binding obligation of the County.

(c) Burdensome and Conflicting Agreements. The County is not a party to any instrument or agreement or subject to any judgment, order, rule or regulation of any court or governmental body which materially and adversely affects, or in the future may (so far as the County can now foresee) materially and adversely affect the business, prospects, operations, properties, assets or condition (financial or otherwise) of the County. Neither the execution and delivery of this First Supplemental Lease Agreement, nor the offering, sale and issuance of any of the Series 2017 Warrants, nor the consummation of the transactions herein contemplated, nor the fulfillment of or compliance with the terms and provisions hereof conflicts with, or results in a breach of, or constitutes a default under, or results in or requires the creation of any lien in respect of any properties or assets of the County pursuant to, or requires any authorization, consent, approval, exemption or other action by, or any notice to, any Person (other than those already obtained, taken or made and which continue in full force and effect) pursuant to the terms, conditions or provisions of any applicable law, rule, regulation, agreement, instrument, judgment or order by which the County is bound or to which the County or any of its properties is subject.

(d) Governmental Consents. Neither the business or property of the County, nor any relationship between the County and any other Person nor any circumstance in connection with the offering, sale, issuance or delivery of any of the Series 2017 Warrants is such as to require on the part of the County any consent, approval, permit, exemption, action, order or authorization of, or filing, registration or qualification with, or with respect to, any court, regulatory agency or

DEED 01349 PAGE 0337

other governmental body in connection with the execution and delivery of this First Supplemental Lease Agreement or the offering, sale, issuance or delivery of any of the Series 2017 Warrants (other than those already obtained, taken or made and which continue in full force and effect).

(e) Litigation. There is no action, suit, inquiry, investigation or proceeding pending or overtly threatened against or affecting the County at law or in equity or before or by any court or governmental body (nor, to the best knowledge and belief of the County, is there any basis therefor) which might result in any material adverse change in the business, prospects, operations, properties, the Special Tax or assets or in the condition (financial or otherwise) of the County, or which might materially and adversely affect the transactions contemplated by this First Supplemental Lease Agreement, or which might impair the ability of the County to comply with its obligations hereunder.

(f) No Defaults. No event has occurred and no condition exists which, upon the issuance of any of the Series 2017 Warrants, would constitute an Event of Default or which would become such an Event of Default with the passage of time or with the giving of notice or both. To the best of the knowledge of the County, no event has occurred and no condition exists which would constitute an "Event of Default" under the Indenture, as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or with the giving of notice or both. The County is not in default, to the best of the knowledge of the County, under any agreement or other instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would materially and adversely affect the transactions contemplated by this First Supplemental Lease Agreement or would impair the ability of the County to comply with its obligations hereunder. The County is not in default under the payment of the principal of or the interest on any of its indebtedness and is not in default under any instrument or agreement under and subject to which any indebtedness of the County has been incurred, and no event has occurred or is continuing under the provisions of any such instrument or agreement which constitute or will constitute an event of default thereunder.

(g) Compliance with Statutes and Regulations. To the best of the knowledge and judgment of the County, the use and occupancy of the Project by the County and its agencies will not conflict with any zoning, planning or similar regulations applicable thereto and will comply in all material respects with all applicable statutes, regulations, orders and restrictions.

(h) Nature and Location of the Project. The Original Project and the Project Improvements will constitute a "Project" within the meaning of the Act, as now existing. As of the delivery of this First Supplemental Lease Agreement, the entire Project is located wholly within the now existing geographic boundaries of the County.

## ARTICLE III

### DEMISING CLAUSES

#### Section 3.1 Demising Clauses.

For and during the Lease Term, in addition to the properties and related rights demised and leased by the Authority to the County pursuant to the provisions of Section 3.1 of the Original Lease, the Authority hereby demises and leases to the County, subject to Permitted Encumbrances, and the County hereby rents from the Authority, subject to Permitted Encumbrances, the following described properties and related rights.

#### I

The parcel of land situated wholly within the boundaries of the County that is described in Exhibit A attached hereto and made a part hereof.

#### II

The Additional Project Building and all other buildings, structures and other improvements now or hereafter situated on the Additional Project Site, all permits, easements, licenses, rights-of-way, contracts, leases, privileges, immunities and hereditaments pertaining or applicable to the Additional Project Site and all fixtures now or hereafter owned by the Authority and installed on the Project Sites or in any of such other buildings, structures and improvements now or hereafter located on the Project Sites, it being the intention hereof that all property, rights and privileges hereafter acquired for use as a part of or in connection with or as an improvement to the Project Sites shall be as fully covered hereby as if such property, rights and privileges were now owned by the Authority and were specifically described herein; and

#### III

All items (whether or not fixtures) of equipment, furniture, furnishings and other personal property that at any time, under the provisions of the Lease, constitute the New Project Equipment, excluding, however, any equipment or other personal property that, under the provisions of the Lease, is, or is to become (prior to the termination of the Lease), the sole property of the County or third parties.



## ARTICLE IV

### AGREEMENTS RESPECTING THE PROJECT IMPROVEMENTS AND THE FINANCING THEREOF

#### **Section 4.1 Agreement to Convey the Additional Project Building Site and to Acquire, Construct and Equip the Project Improvements.**

Simultaneously with the execution of this First Supplemental Lease Agreement, the County will transfer and convey the Additional Project Building and the Additional Project Building Site to the Authority. Thereafter, the Authority and the County will undertake and complete, or will cause to be undertaken and completed the construction and acquisition of the Project Improvements and the acquisition and installation, on or about the County Courthouse, the Government Building or the Additional Project Building, of the New Project Equipment, such construction, acquisition and installation to be made in accordance with written orders and directions from the County. The Authority will complete such construction, acquisition and installation as soon as practicable, delays incident to strike, riots, acts of God and the public enemy and other causes beyond the reasonable control of the Authority only excepted, and it will pay or caused to be paid, solely out of the principal proceeds derived by it from the sale of the Series 2017 Warrants, to the extent and as provided in Section 4.3 hereof, the costs of carrying out said work.

The County may, after the delivery of these presents, cause such changes to be made in the New Project Equipment, including additions thereto, deletions therefrom and substitutions therefor, as it may desire. Nothing herein contained shall be construed to enlarge, restrict or otherwise alter the terms and conditions contained in Section 6.2 of the Original Lease respecting the removal from the Project of any item of personal property forming a part of the New Project Equipment.

#### **Section 4.2 Agreement to Issue the Series 2017 Warrants.**

In order to provide funds for (a) the refunding and retirement of the Series 2008 Warrants, (b) payment of the costs of carrying out the acquisition, construction and installation of the Project Improvements, and (c) payment of related costs of issuance, the Authority will issue and sell the Series 2017 Warrants. The Series 2017 Warrants will be issued under the Indenture, and all the terms and conditions of the Indenture (including, without limitation, those relating to the amounts and maturity dates of the principal of the Series 2017 Warrants, the interest rate or rates thereof and the provisions for redemption thereof prior to their respective maturities) are hereby made a part hereof as fully and completely as if set out herein, and the County shall be deemed to be a third-party beneficiary thereof and shall (except as otherwise specifically provided in the Indenture) be entitled to enforce performance and observance of the agreements and covenants on the part of the Authority and the Trustee contained in the Indenture as fully and completely as if it were a party to both of said instruments.

**Section 4.3 Disbursement of Moneys from the Construction Fund**

The Authority will pay, or cause to be paid, all costs of the construction of the Project Improvements, but such costs shall be paid solely out of the principal proceeds from the sale of the Series 2017 Warrants, income earned from the investment of such proceeds and any other moneys which the County may cause to be deposited into the Construction Fund. The County, as agent for the Authority, will cause such requisitions to be prepared and submitted to the Trustee as shall be necessary to enable the Trustee to pay, out of moneys in the Construction Fund in accordance with the provisions of Section 4.2 of the First Supplemental Indenture, all of the Project Improvement Costs. The County, upon request, will furnish a copy of each such requisition to the Authority.

**ARTICLE V**

**DEMISE OF THE PROJECT IMPROVEMENTS**

**Section 5.1 Project Improvements to Constitute a Part of the Project; Lease Thereof to the County.**

The Project Improvements shall be subject to the demise of the Lease and be considered as a part of the "Project" referred to herein for all purposes of the Lease as fully and completely as if they had been fully and completely described in the demising clauses of the Original Lease. To give effect to the foregoing provision, the Authority does hereby lease to the County, and the County does hereby rent from the Authority, for and during the current term and any Renewal Term, the Project Improvements as they may at any time and from time to time be constituted, upon and subject to the terms and conditions of the Original Lease and this First Supplemental Lease Agreement. Further, as previously indicated, the County and the Authority acknowledge and agree that henceforth any reference in the Lease to the "Project" shall, unless the context clearly and unequivocally indicates otherwise, include the New Project Equipment.

**Section 5.2 Rental Provisions.**

In consideration of the issuance of the Series 2017 Warrants, the refunding of the Series 2008 Warrants by the Authority, and the agreement by the Authority to carry out the Project Improvement Work, the County will, during the current term of the Lease and during any Renewal Term, pay to the Trustee at its principal office, for the account of the Authority, Basic Rent with respect to the principal of and interest on the Series 2017 Warrants, with such payments to be made in accordance with the provisions of Section 5.3 of the Original Lease.

All other provisions of the Lease shall apply to the Series 2017 Warrants.

**Section 5.3 Mandatory Payment of Basic Rent in the Event of a Determination of Taxability.**

In connection with a determination of taxability as described in Section 3.1 of the First Supplemental Indenture, the County will pay to the Trustee, for the account of the Authority and

as Basic Rent, all amounts referred to in Section 3.1 of the First Supplemental Indenture and the Series 2017 Warrants, in sufficient time to enable the Authority to satisfy its obligations thereunder.

## **ARTICLE VI**

### **MISCELLANEOUS**

#### **Section 6.1 Confirmation of Options.**

All the options granted to the County in the Lease are hereby confirmed as if granted on the date hereof. Without in any way limiting the generality of the foregoing, the issuance of the Series 2017 Warrants and the undertaking of the Project Improvement Work shall not be considered to cause or result in any change in (1) the option price payable by the County in the event of its exercise of the option to purchase the Project granted in the Lease or (2) any other conditions applicable to the exercise of said option by the County.

#### **Section 6.2 Prior Approval of the County Required for Optional Redemption of Warrants.**

Without the prior written approval of the County, the Authority will not take any action for the redemption of any of the Series 2017 Warrants pursuant to the provisions of Section 3.2 of the First Supplemental Indenture.

#### **Section 6.3 Series 2017 Warrants to Constitute Additional County Obligations.**

In the Original Lease, the County reserved the right to incur Additional County Obligations, to be secured by a pledge of the Pledged Tax Proceeds on a parity of lien with the pledges made and provided for in the Original Lease. All conditions contained in the Original Lease to qualify the obligation of the County herein contained to pay Basic Rent with respect to the Series 2017 Warrants as an Additional County Obligation have been satisfied, and such obligation constitutes an Additional County Obligation.

#### **Section 6.4 Confirmation of the Lease.**

As modified and supplemented by this First Supplemental Lease Agreement, the Lease is in all things and respects hereby ratified and confirmed. Without limiting the generality of the foregoing, the Authority and the County hereby ratify and confirm (i) the provisions of Section 5.2 of the Original Lease respecting the granting and exercising of successive options to renew the Lease Term for successive Renewal Terms, (ii) the provisions of Section 5.6 of the Original Lease respecting the renewal of the pledge of the Pledged Tax Proceeds with respect to each Renewal Term of the Lease (except that the provisions of such Section providing for the adoption by the governing body of the County of a resolution to confirm each such renewal of such pledge shall not continue to be applicable), and (iii) the special covenants contained in Section 8.1 of the Original Lease (which shall, from and after the delivery of the First Supple-

mental Lease Agreement, apply to the Original Project and the Project Improvements), and agree that such provisions continue to remain in effect.

With respect to the special covenants contained in Section 8.1 of the Original Lease, it is the stated intention of the County and the Authority that the holders of the Series 2017 Warrants shall be direct third party beneficiaries of the covenants of the County contained in that section. The Trustee, as the representative of the holders of the Series 2017 Warrants, shall have legal standing and full power and authority to enforce the said covenants against the County as if the Warrantholders were parties to the Lease, even though the term of the Lease shall not have been renewed by the County. The covenants contained in said Section 8.1 shall continue and extend to the final maturity of the Series 2017 Warrants and survive the termination of the Lease.

**Section 6.5 Reference to Basic Rent in the Original Lease.**

The County and the Authority acknowledge and agree that from and after the issuance of the Series 2017 Warrants, all references to "Basic Rent" in the Lease, shall be construed to include the "Basic Rent" herein required by the County to be paid to the Authority.

**Section 6.6 Covenant Regarding Provision of Financial Information.**

The County shall provide the Warrantholder with the following information by the respective specified dates:

- (i) an audited financial statement for each fiscal year of the County, in each case within 10 days after the official release of such audit by the Alabama Department of Examiners of Public Accounts;
- (ii) the annual budget of the County for each fiscal year, in each case no later than 30 days after the beginning of the fiscal year to which such budget is related;
- (iii) summary unaudited financial reports of the County (in the form typically prepared by the County) for each fiscal year, in each case no later than 90 days after the end of such fiscal year; and
- (iv) such other information or reports as the Warrantholder may reasonably request from time to time.

**Section 6.7 Agreements Concerning the Special Tax.**

The County hereby covenants to levy and collect the Special Tax throughout the County to the full extent permitted by law until the Series 2017 Warrants shall have been fully paid and retired. If for any reason the Special Tax is terminated, or the County's authority to levy and collect the Special Tax is terminated, the County will, as soon as practicable, issue (or direct the Authority to issue) other obligations (payable from sources other than the Pledged Tax Proceeds) for the purpose of refunding and providing for the retirement of the Series 2017 Warrants.

DEED 01349 PAGE 0343

If authority to levy the Special Tax shall terminate, the County shall, to the extent authorized by law, levy any other tax in the County for the purpose of providing a source of payment for any obligations of the County or any agency thereof that shall be issued in order to refund and retire the Series 2017 Warrants.

During the term of the Lease (including any Renewal Term), the County will not pledge the proceeds of the Special Tax to any obligation other than the Series 2017 Warrants and any Additional County Obligations that may be issued in accordance with the provisions of the Original Lease.

**Section 6.8 No-Arbitrage Covenants.**

Neither the Authority nor the County will take any action, or omit to take any action, with respect to the investment of any of the proceeds from the sale of the Series 2017 Warrants, or any revenue from the Project accumulated by the Authority, if, as a result of such action by the Authority or the County, or the omission of the Authority or the County to take such action, as the case may be, such proceeds or revenues would be invested in a manner causing the Series 2017 Warrants to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder.

**Section 6.9 Tax Covenants.**

The Authority and the County recognize that the Holders from time to time of the Series 2017 Warrants will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the Series 2017 Warrants will be excluded from gross income for purposes of federal income taxation under the laws in force at the time the Series 2017 Warrants shall have been delivered. In that connection the Authority and the County hereby covenant that they will not take any action, or omit to take any action, if such action or omission, as the case may be, would cause the interest on any of the Series 2017 Warrants to become includible in gross income for purpose of federal income taxation. Further the Authority and the County represent and covenant that the Series 2017 Warrants will not constitute "private activity bonds," within the meaning of Section 141 of the Code.

**Section 6.10 Loss of Bank Qualification.**

The County hereby agrees to pay, for the account of the Authority, to the Series 2017 Warrantholder (which obligation shall survive payment in full of the Series 2017 Warrants), any loss which the Series 2017 Warrantholder shall incur as a result of the Series 2017 Warrants not constituting "qualified tax-exempt obligations" under Section 265(b)(3) of the Code (including, without limitation, lost or additional interest, costs, expenses, penalties, additions to federal income tax and attorneys' fees).

**Section 6.11 Binding Effect.**

This First Supplemental Lease Agreement shall inure to the benefit of and shall be binding upon the Authority, the County and their respective successors and assigns.

**Section 6.12 Severability.**

In the event any provision of the Lease (including, without limitation, any provision of this First Supplemental Lease Agreement) shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of the Lease. Without in any way limiting the generality of the foregoing, the County specifically acknowledges and agrees that the several purchase options granted it in the Lease are fully severable from and independent of the other provisions therein and herein contained and that neither the invalidity or unenforceability of any of such purchase options shall invalidate or render unenforceable any other provisions of the Lease nor excuse the County from fully performing and observing any of the agreements and covenants on its part therein or herein contained.

**Section 6.13 Article and Section Captions.**

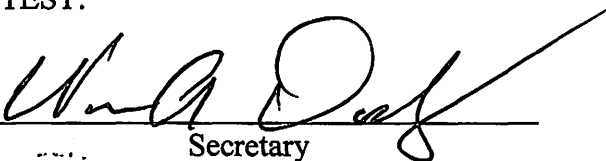
The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

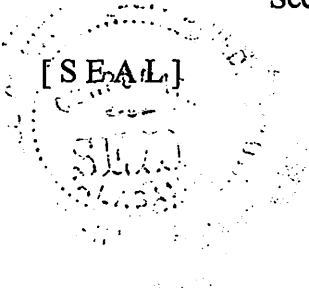
IN WITNESS WHEREOF, the Authority and the County have caused this First Supplemental Lease Agreement to be executed in their respective names, have caused their respective seals to be hereunto affixed, have caused this First Supplemental Lease Agreement to be attested, all by their duly authorized officers, all in four (4) counterparts, each of which shall deemed an original, and have caused this First Supplemental Lease Agreement to be dated as of February 1, 2017, although actually delivered by the parties hereto on February 22, 2017.

**THE RUSSELL COUNTY PUBLIC  
BUILDING AUTHORITY**

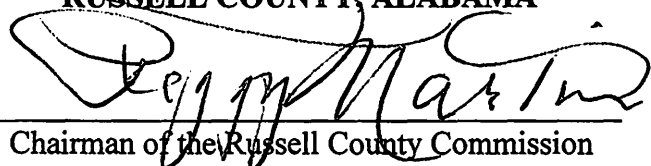
By   
President

ATTEST:

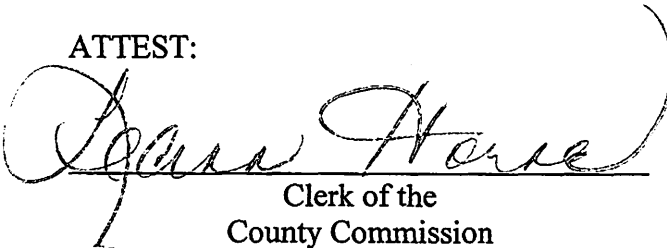
  
Secretary

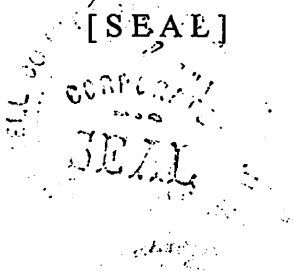


**RUSSELL COUNTY, ALABAMA**

By   
Chairman of the Russell County Commission

ATTEST:

  
Clerk of the  
County Commission



STATE OF ALABAMA )

Russell COUNTY )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that CLARENCE TAYLOR, whose name as President of THE RUSSELL COUNTY PUBLIC BUILDING AUTHORITY, an Alabama public corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and seal, this 17th day of February, 2017.

[ NOTARIAL SEAL ]

Carla D. Shoman  
Notary Public

My Commission Expires: My commission expires May 10, 2020.

STATE OF ALABAMA )

Russell COUNTY )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Peggy Martin, whose name as Chairman of the Russell County Commission, which is the governing body of RUSSELL COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said county.

GIVEN under my hand and seal, this 17th day of February, 2017.

[ NOTARIAL SEAL ]

Carla D. Shoman  
Notary Public

My Commission Expires: My commission expires May 10, 2020.



**EXHIBIT A**  
**to**  
**FIRST SUPPLEMENTAL LEASE**  
**between**  
**THE RUSSELL COUNTY**  
**PUBLIC BUILDING AUTHORITY**  
**and**  
**RUSSELL COUNTY, ALABAMA**  
**dated as of February 1, 2017**

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All that tract or parcel of land being and lying in the City of Phenix City, County of Russell, State of Alabama, and described as follows, to-wit: BEGINNING at a point being the intersection of the Northerly side of Fourteenth Street with the Westerly side of Fifth Avenue; running thence North 89 degrees 48 minutes West along the Northerly side of Fourteenth Street a distance of 117 feet to a point; thence North 4 degrees 06 minutes West a distance of 170.3 feet to a point; thence North 86 degrees 15 minutes East a distance of 117 feet to a point in the Westerly side of Fifth Avenue; thence South 4 degrees East a distance of 178.2 feet to a POINT OF BEGINNING; being a portion of Lot 128 in the original plan of the Town of Girard, now Phenix City, Alabama, said lot being known as Lots 6 and 7, in Block 213, according to Totten's map of the City of Phenix City, Alabama, made in 1931, and of record in the Probate Office of Russell County, Alabama.

This property conveyed by Deed recorded in Deed Volume 1338, Page 107, in the Office of the Judge of Probate of Russell County, Alabama.