

SUBLEASE AGREEMENT


20190613000209490 1/24 \$84.00
Shelby Cnty Judge of Probate, AL
06/13/2019 02:51:27 PM FILED/CERT

Dated: June 1, 2019

Delivered: June 6, 2019

By and between

SHELBY COUNTY, ALABAMA

and

**STATE OF ALABAMA
Acting by and through its**

DEPARTMENT OF HUMAN RESOURCES

Pursuant to Section 19 hereof, the County and the Department have terminated of record that certain Lease Agreement dated as of December 10, 1992, by the County and the Department, recorded as Instrument No. 1992-29844 in the Office of the Judge of Probate of Shelby County, Alabama.

MAYNARD
COOPER GALE

**Heyward C. Hosch
Barry A. Staples
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
2400 Regions/Harbert Plaza
Birmingham, Alabama 35203**

SUBLEASE AGREEMENT

STATE OF ALABAMA)
COUNTY OF SHELBY)

STATE AGENCY OR DEPARTMENT:

ALABAMA DEPARTMENT OF HUMAN RESOURCES:

Parties

This SUBLEASE AGREEMENT (this "Lease") dated as of June 1, 2019 and delivered on June 6, 2019 is made by and between SHELBY COUNTY, ALABAMA, a political subdivision of the State of Alabama (hereinafter called the "County"), and the STATE OF ALABAMA, acting by and through its Department of Human Resources, an agency and department of the State of Alabama (hereinafter called the "Department").

Recitals

For and in consideration of the respective agreements on the part of the County and the Department herein contained, the County hereby demises and leases to the Department, and the Department hereby leases and rents from the County, for and during the "Term" hereinafter referred to, the real property situated in Shelby County, Alabama described on Exhibit A hereto, together with the "Building" (hereinafter defined) and all other improvements now or hereafter situated on the said real property and forming a part thereof, all on and subject to the following special terms and conditions:

SECTION 1. Definitions.

(a) Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the Mortgage and Deed of Trust dated June 1, 2019 by the Authority and the Trustee with respect to the Warrants.

(b) The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

Agreement means this Sublease Agreement, as it now exists and as it may hereafter be supplemented or amended.

Authority means The Shelby County Public Building Authority and its successors and assigns.

Building means a one-story office building of approximately 10,100 square feet designed according to the specifications set forth on Exhibit D hereto and located on the Site in Columbiana, Alabama, as an addition to existing facilities of the Department on the Site, for use by the Department in connection with the administration of certain programs for which the Department and the County have statutory responsibility under the laws of the State of Alabama, together with appurtenant parking and other ancillary facilities, as said office building and facilities may at any time exist.

County means Shelby County, Alabama and its successor and assigns.

Demised Premises means the Site, all buildings, facilities, improvements and structures on the Site, and the Building, as any thereof may at any time exist, and all other property and rights referred to or intended so to be in the demising clauses hereof or in any way subject to the demise hereof.

Department means the party of the second part hereto and its successors and assigns.

Fiscal Year means the period of twelve consecutive calendar months beginning on October 1 of a calendar year and ending on September 30 of the next succeeding calendar year.

Indenture means the Mortgage and Deed of Trust between the Authority and the Trustee, dated June 1, 2019, under which the Warrants are being issued and by which they are secured.

Independent Architect means an architect or firm of architects, duly licensed to practice in the State of Alabama, that has no regular employment relationship with either the Department or the County.

Independent Engineer means an engineer or firm of engineers, duly licensed to practice in the State of Alabama, that has no regular employment relationship with either the Department or the County.

Primary Term means the period beginning on the date of the delivery of these presents and continuing until 11:59 p.m. on September 30, 2019.


Rent Commencement Date means the Rent Commencement Date determined under Section 4 hereof.

Site means the real property specifically described in Exhibit A (to the extent that at the time it is subject to the demise hereof).

Term means the Primary Term and any successive Fiscal Year with respect to which the Department has exercised an option to renew granted in Section 3 hereof.

Trustee means (a) Regions Bank, or (b) any successor Trustee at the time serving as such under the Indenture.

Warrants means those certain Building Revenue Warrants (DHR Building), Series 2019, to be dated the date of delivery, of the Authority in the principal amount of \$4,895,000, the maturities and interest rates of which are specified on Exhibit B attached hereto and made a part hereof.


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SECTION 2. Delivery of Possession; Primary Term.

The County will deliver to the Department sole and exclusive possession of the Demised Premises (or such portion or portions thereof as are then in existence) on the commencement date of the Primary Term, subject to the inspection and other rights reserved in clause (d) of Section 7 hereof, and the Department will accept possession thereof at such time; provided, however, that during the Primary Term, and during any future term for which a renewal option is (under the provisions of Section 3 hereof) duly exercised, the County will be permitted such possession of the Demised Premises as shall be necessary and convenient for it (a) to construct the Building, and (b) to make any repairs, restorations or improvements required or permitted to be made by the County pursuant to the provisions hereof.

The County will, or will cause the Authority to, proceed with all reasonable dispatch with the construction of the Building, to construct the Building so as to be accessible to and usable by the handicapped in accordance with:

- (a) Section 504 of the Rehabilitation Act of 1973 and applicable federal regulations and standards (as they now exist), and
- (b) applicable provisions of the Americans with Disabilities Act and related federal regulations and standards (as they now exist),

and to complete such construction as promptly as practicable and substantially in accordance with plans, specifications and drawings heretofore furnished to and approved by the Department. Such plans, specifications and drawings (including any site plan forming a part thereof) may be changed with Department approval prior to commencement of the construction of the Building, provided that such changes do not result in substantially changing the appearance or basic design of the Building or its character as a "project" under Chapter 15 of Title 11 of the Code of Alabama 1975, as amended. Final plans, specifications and drawings for the Building will be submitted to the Department for comment and approval prior to the commencement of construction, which such approval the Department will not unreasonably withhold and which shall constitute acknowledgment by the Department that the Building will, if constructed substantially in accordance with such plans, specifications and drawings, be accessible to and usable by the handicapped in accordance with (i) Section 504 of the Rehabilitation Act of 1973 and applicable federal and state regulations and standards, and (ii) applicable provisions of the Americans with Disabilities Act and related federal regulations and standards. The Department, by the execution and delivery hereof, approves the plans, specifications and drawings for the Building heretofore furnished to it.

SECTION 3. Options to Renew.

(a) The Department shall have, and is hereby granted, the following options from year to year to renew the term of this Agreement, provided, however, that if the term of this Agreement shall not be renewed for any of the additional periods provided for in this section, this Agreement shall thereupon terminate and no renewal may thereafter be made for any subsequent term, whether pursuant to the provisions of this section or otherwise:

- (i) from and after the Primary Term, for successive Fiscal Year periods until and including the Fiscal Year beginning October 1, 2038 and ending September 30, 2039; and
- (ii) from and after the Fiscal Year beginning October 1, 2038 and ending September 30, 2039, for a number of successive Fiscal Year periods equal to the quotient obtained by dividing the aggregate amount of funds advanced by the Department under Section 6(a) hereof, as shown on the records of the Department, by 5,000, rounded upwards to the nearest whole number; and



(iii) from and after the last full Fiscal Year determined under Section 3(a)(ii) for ten successive Fiscal Years.

(b) Such option to renew the term of this Agreement for any Fiscal Year shall be deemed to have been exercised in any of the following events:

(i) if, not later than the first day of such Fiscal Year, the Department notifies the County in writing that the Department elects to exercise such option for such Fiscal Year;

(ii) if the Department continues in occupancy of the Demised Premises on the first day of such Fiscal Year, it being understood and agreed that, with respect to any Fiscal Year beginning prior to the date on which the Department first takes actual possession of the Building, the Department shall be conclusively presumed to be in occupancy of the Demised Premises on the first day of such Fiscal Year if it does not, before the August 1 next preceding the beginning of such Fiscal Year, (A) notify the County in writing that the Department does not intend to exercise such renewal option for such Fiscal Year, and (B) cause a copy of such notice to be furnished to the Trustee; or

(iii) if, as of the first day of such Fiscal Year, the Legislature of Alabama has appropriated funds to the Department for the payment of the rental due by the Department for such Fiscal Year or funds therefor are otherwise made available to the Department.

SECTION 4. Rental.

The Department will pay, on October 1, 2019, and continuing thereafter on the first day of each calendar month in each successive Fiscal Year during which this Agreement is in effect, rent in the amounts set forth on Exhibit C hereto as the monthly lease payment for the applicable month; provided that, if this Agreement is in effect for the Fiscal Year beginning October 1, 2038, the monthly rental shall be one-twelfth (1/12th) of an amount equal to one dollar (\$1.00) per square foot of floor space in the Building; provided, further, that no such rental payment shall be due with respect to any particular month unless there has theretofore been submitted to the Department by the County (or by the Trustee on its behalf) two sworn invoices stating the amount due under this Section 4 as rental for such month, all as may at the time be required by laws and regulations of the State Finance Department [such invoices to be addressed to the Office of Housing, Department of Human Resources, or in such other manner and at such address as the Department may hereafter specify in a written notice to the County and the Trustee]; and provided, further, that if, as of any October 1 (commencing with October 1, 2019), there is, for any reason or on account of any factor, on deposit in the Warrant Fund created in the Indenture:

(a) an amount (not including, however, any amount held in such Fund for payment of any matured interest on the Warrants) in excess of the interest maturing with respect to the Warrants on such then next succeeding April 1 or October 1; or

(b) an amount (not including, however, any amount held in such Fund for payment of any matured principal of the Warrants) in excess of the principal maturing (or required by the Indenture to be redeemed) with respect to the Warrants on the then next succeeding October 1;

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such excess shall be credited on the monthly installment of rental due hereunder by the Department on such April 1 or October 1, as the case may be, and on each such monthly rental installment that may thereafter come due hereunder by the Department until such time as all such excess has been so credited; provided that no such credit shall be given if the Trustee determines that such excess is needed for any future payments of principal of or interest on the Warrants.

So long as any of the Warrants are outstanding, all such monthly rental payments due hereunder by the Department shall be made directly to the Trustee, for the account of the County. In the event the due date of any installment of rental payable hereunder is a Sunday or legal holiday in Alabama, such installment shall be due on the next succeeding business day. Any installment of rent due hereunder shall become delinquent if not paid within twenty-five (25) days after the receipt by the Department of the above-required sworn invoices therefor.

The principal of and interest on the Warrants due in each year is set forth on Exhibit C hereto.

SECTION 5. Insurance.

The Department will take out and maintain (or cause to be taken out and maintained), from and after the date of delivery of this Agreement and the commencement date of the Primary Term, insurance against loss or damage to the Building by fire, lightning, windstorm and malicious mischief, with uniform standard extended coverage endorsement limited only as may be provided in the broad form of extended coverage endorsement at the time in use in Alabama,

(a) to such extent as is necessary to provide for full payment of the costs of repairing or replacing the property damaged or destroyed,

(b) to the extent of the full replacement value of the Building, or

(c) to the extent of the full insurable value of the Building,

whichever of the foregoing (a), (b), or (c) is the greatest and is available.

Except as provided herein, all insurance required by this Agreement shall be provided through the Finance Department (Risk Management) of the State of Alabama or through generally recognized responsible insurance companies which are qualified under the laws of Alabama to assume the respective risks undertaken. All such insurance policies shall contain standard mortgage clauses providing for all losses thereunder to be paid to the Trustee; provided that all losses may be adjusted by the Department, subject to the approval of the Trustee.

The Department may be self-insured for injury or death to third parties or damage to their property as a result of occurrences on or about the Demised Premises.

During the Term hereof, the Department will pay, in addition to the stated monthly rental provided for in Section 4 hereof, the premium or premiums on such insurance.

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The Department will, from and after the Rent Commencement Date, and during the Term hereof, take out and maintain at its own expense insurance of the type commonly known as extra-expense insurance (also known as business interruption insurance), use and occupancy insurance or rent insurance, to the extent necessary to insure (i) payment of the rental payable by the Department hereunder during the time required to repair or restore the Building in the event of any damage thereto or destruction thereof, or (ii) payment of rentals for alternative space and moving and other incidental expenses of the Department, limited with respect to such rentals to the amount thereof payable during the period of not less than twelve (12) months next succeeding the date of such damage and destruction. The Department will,

(a) promptly after the Rent Commencement Date, furnish to the Trustee a copy of the policy evidencing such insurance, together with a certificate of the insurer attesting the fact that such insurance is in force and effect, and

(b) at least fifteen (15) days prior to the expiration date of such policy, furnish to the Trustee evidence reasonably satisfactory to it that such policy has been renewed or replaced by another policy or that there is no necessity therefor under this Agreement.

SECTION 6. Certain Agreements.

(a) The Department hereby covenants with the County that the Department will pay all amounts required in excess of the proceeds of the Warrants to complete the acquisition, construction and equipping of the Building so as to permit the occupancy, operation and use of the Building by the Department, so long as the Department has heretofore approved, or shall subsequently approve, such amounts.

(b) The Department agrees and acknowledges that the Department's rights under this Agreement shall be and remain subordinate to any bona fide mortgage that may hereafter be placed on the Demised Premises by the Authority, it being understood, however, that so long as this Agreement is in full force and effect and the Department is not in default hereunder, the Department's tenancy shall not be disturbed nor shall any of the covenants or conditions of this Agreement be invalidated. Further, in the event of a default under any such mortgage, the Department shall be notified of such default and be afforded the opportunity to cure it.

SECTION 7. Covenants of Department.

The Department hereby covenants with the County that the Department, after the Rent Commencement Date and at all times during which this Agreement is in effect,

(a) will use and occupy the Demised Premises for office and storage purposes only (and without the written consent of the County, for no other object or purpose);

(b) will not at any time assign this Agreement or sublet the Demised Premises, or any portion thereof, without the prior written consent of the County, which such consent the County will not unreasonably withhold, it being understood and agreed that in the event of any such assignment or subleasing (with or without County consent as aforesaid), the Department shall continue to remain primarily liable for payment of the rentals herein provided to be paid by it and for performance and observance of the other agreements and covenants on its part herein provided to be performed and observed by it;

(c) will, at its own expense, keep the Demised Premises in good order, reasonable wear and tear excepted;

(d) will permit the County, the Trustee or any agent of either thereof to enter the Demised Premises or any part thereof at all reasonable hours for the purpose of examining or exhibiting same or making such repairs or alterations as may be necessary for safety or preservation thereof;

(e) will, as additional rental hereunder, reimburse the County for any ad valorem taxes (and any related penalties and interest) that may be imposed on or with respect to the Demised Premises, that come due while this Agreement is in effect and that are paid by the County, such reimbursement to be made promptly upon the furnishing to the Department of written evidence of the payment of such taxes, penalties or interest by or on behalf of the County;

(f) will surrender possession of the Demised Premises upon the termination of this Agreement, or any extension hereof as provided herein, or any holdover provision allowed hereby, in as good condition as upon completion of construction of the Building (or earlier termination of this Agreement), reasonable wear and tear and accidents happening by fire or other casualties excepted;

(g) will make due and timely payment of the costs of all utility services furnished to the Demised Premises;

(h) will make due and timely payment of any costs incurred in correcting or repairing any malfunction or breakdown of the heating or cooling system of the Building, to the extent that such correction or repair is not covered by warranty;

(i) will, after the expiration of any applicable warranty covering the costs of the correction or repair of such heating or cooling system, be responsible (at its own expense) for maintaining normal service and maintenance contracts on such system, all with contractors certified to work on systems of the type and caliber of those forming a part of the Building;

(j) will, after completion of the construction of the Building, be responsible for maintaining the Demised Premises (including, without limitation, the Building and its grounds) in good repair (except in the case of damages arising from ordinary wear and tear), it being understood and agreed that if the Department fails to do so, the County (i) will, if it has knowledge of such failure, give notice to the Department of any defect and give the Department a reasonable time to correct such defect, and (ii) may, if the Department fails so to correct such defect in a reasonable time, make such repairs itself and advance (for the account of the Department) the reasonable costs of such correction, and the Department will, upon submission to it of a statement for such reasonable costs, promptly reimburse the County therefor; provided, however, that damages arising from the intentional actions of, or from the negligence of the County or its agents or employees, shall be the responsibility of the County;

(k) will pay for all janitorial services and make due and timely payment of the costs and continuation of heating the Building and of replacing light bulbs and ballasts;

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(l) will not, while any of the Warrants remain outstanding and unpaid and the Demised Premises or any space therein is vacant or not used by the Department, rent any building or office facility or office space located in or about the County for use for the same purposes for which the unused space in the Demised Premises is suitable, nor at any such time will the Department renew any lease of any building, office facility or office space in the County (other than this Agreement) for use for the same purposes for which the unused space in the Demised Premises is suitable; provided, that if the Department shall determine that the need for office facilities for use by the Department in or about the County exceeds the capacity of the Demised Premises plus the maximum capacity of all other office facilities in the County that are then owned, leased, rented or used by the Department, the Department may lease or use new or additional office facilities or office space in the County (and may renew existing leases with respect thereto) but only to such extent as is necessary to provide office facilities for employees who cannot then be accommodated by the Demised Premises; and provided further, that the Department may, at any time during which the Building is (on account of any damage thereto or destruction thereof) wholly or partially untenable in the reasonable judgment of the Department, lease or use new or additional office facilities or office space in or about the County (and may renew existing leases with respect thereto) but only to such extent as is necessary to provide office facilities for employees who, by reason of the untenability (whether in whole or in part) of the Building, cannot then be accommodated by the Demised Premises;


(m) will not, beginning on the date when a certificate of occupancy for Building is issued and continuing for a period during which any of the Warrants remain outstanding and unpaid, permit any employees of the Department (other than employees who cannot then be accommodated by the Demised Premises) to occupy any rented or leased office facility or office space located in or about the County (other than the Demised Premises); and

(n) will, subject to provisions of Section 14 hereof, maintain the Building in such condition as to be accessible to and usable by the handicapped in accordance with (i) Section 504 of the Rehabilitation Act of 1973 and applicable federal regulations and standards and (ii) applicable provisions of the Americans With Disabilities Act and related federal regulations and standards, as either of such statutes (and appurtenant regulations and standards) may at the time exist.

The operative effect of the provisions of the preceding clauses (l) and (m) of this section shall not be affected by the non-exercise by the Department of any of the renewal options granted in Section 3 hereof with respect to Fiscal Years beginning before October 1, 2038, and the resulting termination of this Agreement, it being understood and agreed that such provisions shall (notwithstanding such termination) remain in full force and effect until and including September 30, 2039. Nothing herein contained, however, shall obligate the Department to comply with the provisions of the preceding clauses (l) or (m) for any period (i) during which it is, without fault or responsibility on its part, effectively precluded from enjoying quiet and peaceable possession of the Demised Premises, or (ii) after any termination of this Agreement by the Department under the provisions of Sections 9 or 12 hereof.

SECTION 8. Covenants of County.

The County hereby covenants with the Department that the County will, continuously during the Term, keep the Department in quiet and peaceable possession of the Demised Premises (subject, however, to those provisions of Section 2 hereof under which the County may to some extent and under certain circumstances be entitled to possession of the Demised Premises).


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SECTION 9. Damage or Destruction.

If the Building shall be damaged or destroyed by fire or other casualty, including acts of God, the Department shall

(a) within two (2) weeks following the date of such damage or destruction, engage an Independent Engineer or Independent Architect to determine and report to the Department in writing, within thirty (30) days following the date of such engagement of the Independent Engineer or Independent Architect, whether, in the reasonable judgment of such Independent Engineer or Independent Architect, the Building can, within a period of not more than three hundred sixty-five (365) days from the date of such damage or destruction, be repaired or restored to substantially the same condition as immediately preceding such damage or destruction, and

(b) promptly after its receipt of the report of such Independent Engineer or Independent Architect notify the County and the Trustee in writing of its determination.

If the Independent Engineer or Independent Architect reasonably determines that the Building can be so repaired or restored within such 365-day period and the Department notifies the County and the Trustee (as provided above) of such determination, this Agreement shall continue in full force and effect (without abatement of any rents due hereunder), and the Department will as soon as practicable repair, restore or rehabilitate the Building with the net insurance proceeds referable to such damage or destruction. If the Independent Engineer or Independent Architect reasonably determines that the Building cannot be so repaired or restored within such 365-day period and notifies the Department, and the Department notifies the County and the Trustee (as provided above) of such determination, the Department may, by written notice given to the County and the Trustee within six (6) weeks following the date of receipt of such report, terminate this Agreement (effective as of the date of such damage or destruction), and the net insurance proceeds referable to such damage or destruction shall, to the extent necessary and sufficient, be applied to retirement of the Warrants, and any such proceeds thereafter remaining may be retained by the Department.

Notwithstanding that any termination of this Agreement by the Department under the preceding provisions of this Section 9 shall be effective as of the date of the damage or destruction entitling the Department so to terminate this Agreement, the Department shall be entitled to the refund of any rental or other amounts paid by it hereunder during the period commencing with the date of such damage or destruction until and including the date on which the Department gives written notice of termination hereunder only to the extent that moneys remain in the hands of the County after full payment and retirement of the Warrants.

SECTION 10. Trustee Fees and Charges.

In addition to the stated monthly rental provided for in Section 4, the Department will pay and reimburse the County for the fees of the Trustee under the Indenture not to exceed, however, a one-time acceptance fee of \$2,000 and an annual fee of \$3,000. The Department agrees to pay directly to the Trustee the aforesaid fees for which it has agreed to reimburse the County, up to the aforesaid annual maximum, as and when appropriate statements therefor are received by the Department. The Department also agrees to pay and reimburse the County for any other reasonable fees or expenses of the Trustee which become due and payable under Section 14.07 of the Indenture. The County hereby irrevocably assigns to the Trustee its right to payment and reimbursement under this Section.

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SECTION 11. Exemption.

The Department, any provision of this Agreement to the contrary notwithstanding, does not release or waive, whether expressly or by implication, its right to assert sovereign immunity or any other affirmative or defensive right or claim it may have under law.

SECTION 12. Default; Termination.

(a) If at any time one party shall default in the performance or observance of any of its agreements, covenants or obligations hereunder, the nondefaulting party shall give to the defaulting party written notice of the nature of the default. If the default is not (or cannot be) cured within a reasonable period, the nondefaulting party may cancel this Agreement without further obligation.

(b) The County's sole remedy for the settlement of any and all disputes arising under the terms of this Agreement shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama.

(c) No consent or approval of, or notice to, the Department that would otherwise be necessary or required hereunder shall be necessary or required if at the time the Department is in default hereunder; provided that notice of such default has been duly given to the Department in the manner provided in the preceding paragraph.

SECTION 13. Approvals.

The Department and the County, by the execution and delivery hereof, each warrants and represents that all approvals and consents necessary to be obtained by it under the laws of the State of Alabama or the United States or otherwise, as a condition precedent to the execution and delivery of this Agreement on its part, have been obtained and are in full force and effect.

SECTION 14. Limited Liability of the County.

None of this Agreements, covenants or representations on the part of the County herein contained shall ever constitute or give rise to a debt of the County within the meaning of Section 224 of the Constitution of Alabama of 1901, as amended.

SECTION 15. Source of Payment; Not a Debt of State; Termination by Department.

(a) The County and the Department agree that the obligations on the part of the Department to pay the rentals herein required to be paid, and to perform the other agreements on its part herein required to be performed, for any Fiscal Year during which this Agreement is in effect: (1) shall be payable and performed solely out of current revenues of the Department (including particularly, but without limitation, appropriations to the Department by the Legislature of Alabama) for the same Fiscal Year, and (2) shall not constitute or create a debt of the State of Alabama within the meaning of Section 213 of the Constitution of Alabama of 1901, as amended.

(b) It is expressly understood and agreed by the County and the Department that the Department shall have the option to terminate this Agreement at the end of any Fiscal Year of the State of Alabama if (1) the State Legislature does not appropriate funds to the Department sufficient to make the rental payments set out herein which are due and payable under the terms of this Agreement during the ensuing Fiscal Year or (2) in the event of proration of funds from which payment under this Agreement is to be made.

SECTION 16. Assignment of Lease and Rental Payments by County.

(a) Simultaneously with the delivery of this Agreement, the County shall assign and pledge to the Authority all right, title and interest of the County in and to the rental payments and this Agreement and the Authority shall mortgage the Demised Premises, and assign the right, title and interest of the Authority in and to this Lease to the Trustee as security for the payment of the Warrants. The Department hereby consents to such assignment, pledge and mortgage.

(b) Until the Warrants shall have been paid or provision made therefor as provided in the Indenture, the Trustee shall have all rights and remedies herein accorded to the County and any reference herein to the County shall be deemed, with the necessary changes in detail, to include the Trustee.

SECTION 17. Special Covenant for Use of Project.

The Department covenants and agrees that the Department will not make any agreement or arrangement, or otherwise create or allow to exist any legal entitlement, for the actual or beneficial management, occupancy or use of the Demised Premises, or any part thereof, by any nongovernmental person unless prior thereto the Department shall : (a) obtain the written consent of the County thereto and (ii) provide the Trustee an Opinion of Bond Counsel to the effect such use will preserve the character of the Demised Premises as a "project" under the Enabling Law and will not cause interest on the Warrants to become Taxable.


SECTION 18. Provisions of General Application.

(a) This Agreement constitutes the entire agreement between the parties and shall be binding upon and shall inure to the benefit of the County and the Department and their respective successors and assigns.

(b) The County and the Department agree that if any provision of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may, during the Term of this Agreement, be enacted, then that conflicting provision in this Agreement shall be null and void.

SECTION 19. Termination of Lease Agreement dated as of December 10, 1992.

The County and the Department hereby terminate the Lease Agreement dated as of December 10, 1992, by the County and the Department, recorded as Instrument No. 1992-29844 in the Office of the Judge of Probate of Shelby County, Alabama.


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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, in their respective capacities hereunder noted, all in seven (7) counterparts, each of which shall be deemed an original, and to be dated June 1, 2019, and actually delivered and becoming effective on the date and year first above written.

**ALABAMA DEPARTMENT OF
HUMAN RESOURCES**

By Nancy T. Buckner
Nancy T. Buckner
Commissioner x 5/29/19
date

By Steven N. Tandet
Steven N. Tandet, Legal Counsel
Dept. Human Resources x 5/24/19
date

By Jacqueline Darnell
Jacqueline Darnell, Director x 5/24/19
General Service Division date

SHELBY COUNTY, ALABAMA

By Chairman of the Shelby County Commission
Chairman of the Shelby
County Commission x 5/23/19
date

APPROVED:

By Kay Ivey
Governor Kay Ivey
State of Alabama x 6/4/2019
date

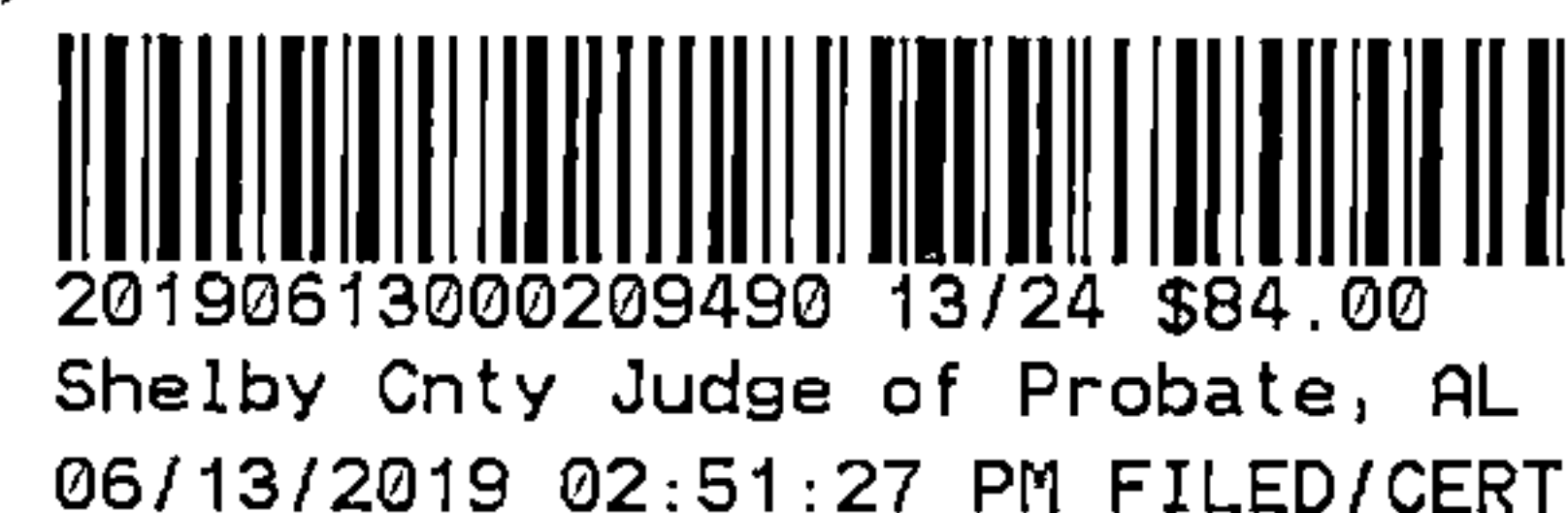
By N/A
Kelly Butler, Finance Director
Alabama Dept. of Finance x / /
date

APPROVED AS TO FORM:

By Tamara Pharrams
Tamara Pharrams
Alabama Dept. of Finance x 6/4/19
date

By Katherine Lynn
Katherine Lynn, Assistant Finance Director
Real Property Management x 06/04/19
date

By Mayte Garrett
Mayte Garrett, Director x 5/31/19
Division of Leasing Mgmt. date



STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that Jon Parker, whose name as Chairman of Shelby County Commission, the governing body of Shelby County, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said political subdivision.

Given under my hand and official seal of office, this 23 day of May, 2019.

Michelle Shanahan

Notary Public

MY COMMISSION

My Commission Expires:

EXPIRES**AUGUST 13, 2019**

[NOTARIAL SEAL]



20190613000209490 14/24 \$84.00
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STATE OF ALABAMA

COUNTY OF MONTGOMERY

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that Nancy T. Buckner, whose name as Commissioner of ALABAMA DEPARTMENT OF HUMAN RESOURCES, an agency 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said state agency.

Given under my hand and official seal of office, this 29th day of May, 2019.

Heide C. Lively
Notary Public

My Commission Expires: April 8, 2020

[NOTARIAL SEAL]



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EXHIBIT A**PROPERTY DESCRIPTION**

A parcel of land situated in the Northwest One-Quarter of Section 27, Township 21 South, Range 1 West, Shelby County, Alabama, being more particularly described as follows:

Commence at a found rebar marking the Southwest corner of the Southeast One-Quarter of the Northwest One-Quarter of said Section 27; thence run North 00 degrees 04 minutes 06 seconds West along the West line thereof for a distance of 890.10 feet to a found 1-inch rebar and the point of beginning of the parcel herein described; thence continue North 00 degrees 04 minutes 06 seconds West along the last described course for a distance of 446.17 feet to a found 1-inch rebar; thence leaving said West line run North 21 degrees 16 minutes 15 seconds East for a distance of 222.98 feet, said point lying on the Southwestern-most right of way of Alabama State Highway 70 (right of way varies); thence run South 68 degrees 44 minutes 46 seconds East along said right of way for a distance of 294.33 feet to a set 5/8-inch capped rebar stamped CA-560LS; thence leaving said right of way run South 11 degrees 44 minutes 23 seconds East for a distance of 103.73 feet to a set 5/8-inch capped rebar stamped CA-560LS; thence run South 19 degrees 20 minutes 18 seconds East for a distance of 172.83 feet to a set 5/8-inch capped rebar stamped CA-560LS; thence run South 21 degrees 10 minutes 54 seconds East for a distance of 173.12 feet to a set 5/8-inch capped rebar stamped CA-560LS; thence run South 18 degrees 56 minutes 26 seconds East for a distance of 127.67 feet to a set 5/8-inch capped rebar stamped CA-560LS; thence run South 89 degrees 57 minutes 12 seconds West for a distance of 537.00 feet to the point of beginning.

According to survey of Derek S. Meadows, PLS #29996, dated July 29, 2016.



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EXHIBIT B

Payment Date October 1	Principal Amount ^[1]	Interest Rate
2021	\$180,000.00	3.000%
2022	185,000.00	3.000
2023	195,000.00	3.000
2024	200,000.00	4.000
2025	205,000.00	4.000
2026	215,000.00	4.000
2027	225,000.00	4.000
2028	235,000.00	4.000
2029	240,000.00	4.000
2030	250,000.00	4.000
2031	260,000.00	4.000
2032	270,000.00	4.000
2033	280,000.00	4.000
2034	295,000.00	4.000
2035	305,000.00	4.000
2036	320,000.00	4.000
2037	330,000.00	4.000
2038	345,000.00	4.000
2039	360,000.00	4.000
Total	<u>\$4,895,000.00</u>	

^[1] Principal amounts are due in each year by stated maturity or mandatory redemption.



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EXHIBIT C

<u>Rent Due Dates</u>	<u>Monthly Lease Payments</u>	<u>Annual Rent</u>
4-1-2020 – 9-1-2020	\$15,850.00	\$95,100
10-1-2020 – 9-1-2021	30,850.00	370,200
10-1-2021 – 9-1-2022	30,816.67	369,800
10-1-2022 – 9-1-2023	31,187.50	374,250
10-1-2023 – 9-1-2024	31,116.67	373,400
10-1-2024 – 9-1-2025	30,866.67	370,400
10-1-2025 – 9-1-2026	31,016.67	372,200
10-1-2026 – 9-1-2027	31,133.33	373,600
10-1-2027 – 9-1-2028	31,216.67	374,600
10-1-2028 – 9-1-2029	30,850.00	370,200
10-1-2029 – 9-1-2030	30,883.33	370,600
10-1-2030 – 9-1-2031	30,883.33	370,600
10-1-2031 – 9-1-2032	30,850.00	370,200
10-1-2032 – 9-1-2033	30,783.33	369,400
10-1-2033 – 9-1-2034	31,100.00	373,200
10-1-2034 – 9-1-2035	30,950.00	371,400
10-1-2035 – 9-1-2036	31,183.33	374,200
10-1-2036 – 9-1-2037	30,950.00	371,400
10-1-2037 – 9-1-2038	31,100.00	373,200
10-1-2038 – 9-1-2039	31,200.00	374,400



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EXHIBIT D
BUILDING FOR SHELBY COUNTY DHR

Building Specifications

Building Specifications are detailed in "Project Manual for Shelby County Department of Human Resources Columbiana, Alabama, for The Shelby County Public Building Authority, prepared by Turner Batson and dated February 28, 2019 including all addenda.

General Specifications include:

Architectural:

- Approximately 10,100 Square Feet
- One-Story

Exterior:

- Steel Frame
- Concrete Floor & foundations
- Masonry & precast exterior
- Insulated Windows with Low-e glass
- Chiller located in separate mechanical enclosure
- Dumpster enclosure
- Separate employee and client parking areas
- Canopies over entries
- Outdoor rear patio area
- Covered Portecochere/Dropoff entry
- Security System interior and exterior cameras
- Signage on front exterior
- Pump station

Interior:

- Public Lobby with security desk plus clerical desk with bullet resistant glass
- Variety of meeting spaces, visitation & conference rooms
- Private Offices
- Employee break room with appliances
- Metal stud walls and painted sheetrock
- Flooring; hard tile, carpet and vinyl flooring
- Acoustical ceiling tiles with some sheetrock ceilings.
- Energy efficient LED lighting
- Built in casework and millwork in offices workrooms, and clerical areas.
- Fire Sprinkler system throughout



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State of Alabama)

County of Shelby)

CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act 2012-491)

DATE: May 15, 2019

RE Sublease Agreement for DHR Building in Shelby County, Alabama dated as of June 1, 2019 by and between Shelby County, Alabama (Contractor/Grantee) and the State of Alabama, acting by and through its Department of Human Resources (State Agency, Department or Public Entity)

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of Chairman of the Shelby County Commission with the Contractor/Grantee named above, and is authorized to provide representations set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".
2. Using the following definitions from Section 3 of the Act, select and initial either (a) or (b), below, to describe the Contractor/Grantee's business structure.

BUSINESS ENTITY. Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

EMPLOYER. Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

____ (a) The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.

____ (b) The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama;
4. Contractor/Grantee is enrolled in E-Verify unless it is not eligible to enroll because of the rules of that program or other factors beyond its control.



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Certified this 28th day of May, 2019.

SHELBY COUNTY, ALABAMA
Name of Contractor/Grantee/Recipient

By: Jh
Its Chairman

The above Certification was signed in my presence by the person whose name appears above, on
this 28th day of May, 2019.

WITNESS: Heyward C. Hosch
Heyward C. Hosch
Printed Name of Witness



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State of Alabama Disclosure Statement

(Required by Act 2001-955)

ENTITY COMPLETING FORM

Shelby County, Alabama

ADDRESS

200 West College Street

CITY, STATE, ZIP

Columbiana, Alabama

TELEPHONE NUMBER

(205) 670-6550

STATE AGENCY/DEPARTMENT THAT WILL RECEIVE GOODS, SERVICES, OR IS RESPONSIBLE FOR GRANT AWARD

Alabama Department of Human Resources

ADDRESS

Gordon Persons Building, 50 North Ripley Street, Suite 2104

CITY, STATE, ZIP

Montgomery, Alabama 36130

TELEPHONE NUMBER

(334) 242-1310

This form is provided with:

☒ Contract ☐ Proposal ☐ Request for Proposal ☐ Invitation to Bid ☐ Grant Proposal

Have you or any of your partners, divisions, or any related business units previously performed work or provided goods to any State Agency/Department in the current or last fiscal year?

☐ Yes ☐ No

If yes, identify below the State Agency/Department that received the goods or services, the type(s) of goods or services previously provided, and the amount received for the provision of such goods or services.

STATE AGENCY/DEPARTMENT	TYPE OF GOODS/SERVICES	AMOUNT RECEIVED
See attached Exhibit A		

Have you or any of your partners, divisions, or any related business units previously applied and received any grants from any State Agency/Department in the current or last fiscal year?

☐ Yes ☐ No

If yes, identify the State Agency/Department that awarded the grant, the date such grant was awarded, and the amount of the grant.

STATE AGENCY/DEPARTMENT	DATE GRANT AWARDED	AMOUNT OF GRANT
See attached Exhibit A		

1. List below the name(s) and address(es) of all public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF PUBLIC OFFICIAL/EMPLOYEE	ADDRESS	STATE DEPARTMENT/AGENCY
See attached Exhibit A		

OVER

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2. List below the name(s) and address(es) of all family members of public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the public officials/public employees and State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)

NAME OF FAMILY MEMBER	ADDRESS	NAME OF PUBLIC OFFICIAL/ PUBLIC EMPLOYEE	STATE DEPARTMENT/ AGENCY WHERE EMPLOYED
See attached Exhibit A			

If you identified individuals in items one and/or two above, describe in detail below the direct financial benefit to be gained by the public officials, public employees, and/or their family members as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

See attached Exhibit A

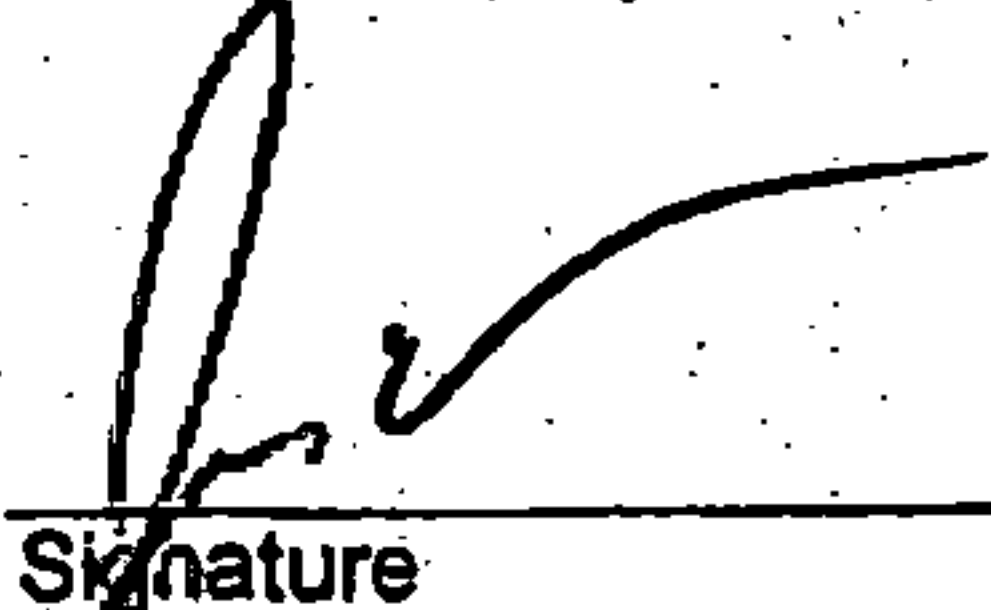
Describe in detail below any indirect financial benefits to be gained by any public official, public employee, and/or family members of the public official or public employee as the result of the contract, proposal, request for proposal, invitation to bid, or grant proposal. (Attach additional sheets if necessary.)

See attached Exhibit A

List below the name(s) and address(es) of all paid consultants and/or lobbyists utilized to obtain the contract, proposal, request for proposal, invitation to bid, or grant proposal:

NAME OF PAID CONSULTANT/LOBBYIST	ADDRESS
See attached Exhibit A	

By signing below, I certify under oath and penalty of perjury that all statements on or attached to this form are true and correct to the best of my knowledge. I further understand that a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed \$10,000.00, is applied for knowingly providing incorrect or misleading information.


Signature

May 28, 2019
Date

Hayward C. Hosch
Notary Signature

May 28, 2019
Date

July 10, 2020
Date Notary Expires

Act 2001-955 requires the disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000.

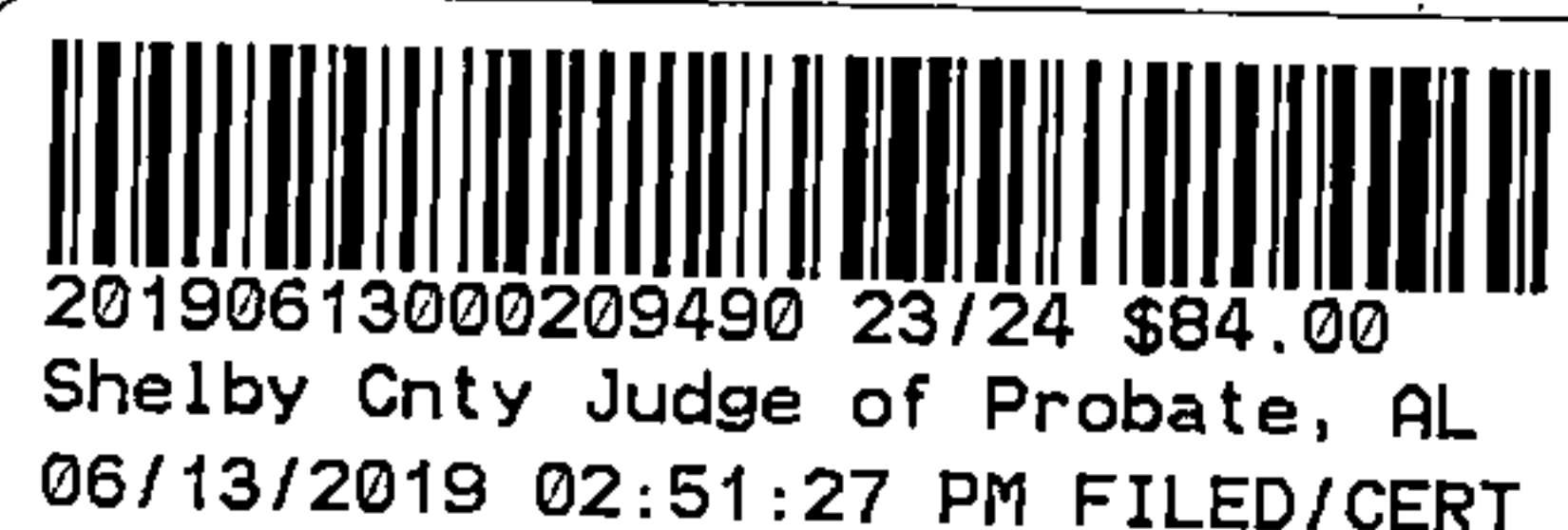


Exhibit A to Disclosure Statement

Shelby County, Alabama (the "County") is a political subdivision of the State of Alabama. The County does not constitute a "Person" as defined in Article 3B of Chapter 16 of Title 41 of the Code of Alabama 1975. The definition of "Person" found in Section 41-16-81 of the Code of Alabama 1975 is as follows:

"PERSON. An individual, firm, partnership, association, joint venture, cooperative, or corporation, or any other group or combination acting in concert."

Because the County does not constitute a "Person" for purposes of Article 3B of Chapter 16 of Title 41, the County has no disclosure statement obligations under Section 41-16-82 of the Code of Alabama 1975. Accordingly the County is not required to fill out the foregoing Disclosure Statement.



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