

GROUND LEASE AGREEMENT

Dated May 1, 2018

Between

CITY OF COLUMBIANA, ALABAMA

and

**CULTURAL FACILITIES COOPERATIVE
DISTRICT OF THE CITY OF COLUMBIANA**

NOTICE TO JUDGE OF PROBATE: PURSUANT TO SECTION 11-99B-14 OF THE CODE OF ALABAMA (1975), THIS INSTRUMENT IS ENTITLED TO BE FILED OF RECORD IN THE PROBATE RECORDS EXEMPT FROM THE PAYMENT OF ANY TAX OR FEE.

This instrument prepared by:

C. Bradley Cherry
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
Suite 2400 Regions/Harbert Plaza
Birmingham, Alabama 35203-2618
(205) 254-1000

STATE OF ALABAMA)

COUNTY OF SHELBY)

GROUND LEASE AGREEMENT

May 1, 2018

THIS GROUND LEASE AGREEMENT (this "Lease Agreement") is entered into as of the date noted above by **CITY OF COLUMBIANA, ALABAMA**, a municipal corporation organized under the laws of the State of Alabama (the "City"), as landlord, and the **CULTURAL FACILITIES COOPERATIVE DISTRICT OF THE CITY OF COLUMBIANA**, an Alabama public corporation (the "District"), as tenant.

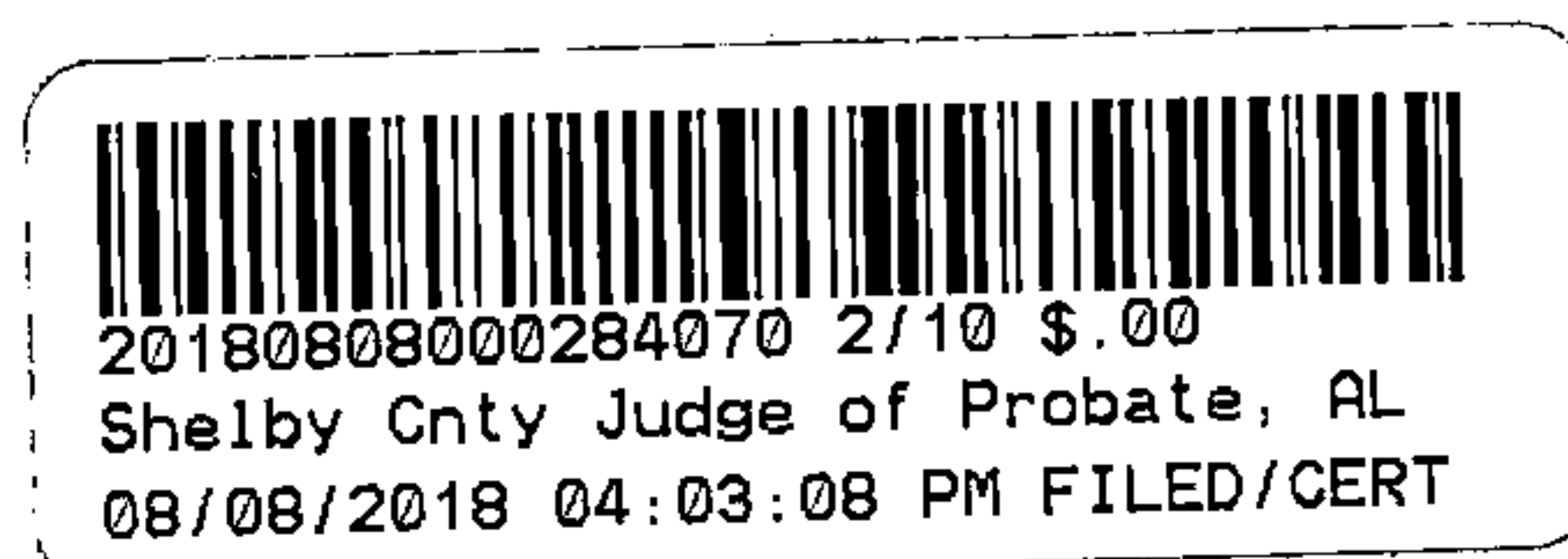
RECITALS

A. The City owns the fee simple interest in that certain tract of real property and all improvements, personal property and fixtures situated thereon located in Shelby County, Alabama, and more particularly described on Exhibit A hereto (the "Property").

B. The City desires to lease the Property to the District pursuant to this Lease Agreement, and is authorized to do so pursuant to and for the purposes specified in Chapter 99B of Title 11 of the Code of Alabama 1975, as amended, and Amendment 772 of the Constitution of Alabama of 1901, as amended.

C. The District will issue its revenue bonds designated as Revenue Bonds (City of Columbiana Old Mill Square Project), Series 2018-A (the "Series 2018-A Bonds"), pursuant to an indenture of trust (the "Indenture") between the District and Regions Bank, as trustee (the "Trustee"), to finance the acquisition, construction and equipping of a multipurpose cultural and entertainment event and community center and park at Old Mill Square, which is located in the City of Columbiana, Alabama between Walton Street and Summer Classics Way (collectively, the "Project").

D. The District will lease the Project to the City and make available the proceeds of the Series 2018-A Bonds to the City to acquire, construct and equip the Project pursuant to a lease agreement (the "Financing Lease Agreement") between the District, as landlord, and the City, as tenant.



E. Pursuant to the Financing Lease Agreement, the City will agree to pay rentals to the Trustee, for the account of the District, in an amount sufficient to pay debt service on the Series 2018-A Bonds.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants and agreements herein contained, the City and the District hereby covenant, agree and bind themselves as follows:

1. Demising Clause.

For and in consideration of the performance and observance by the District of the agreements and covenants of this Lease Agreement to be performed and observed by the District, the City does hereby lease and demise to the District, and the District does hereby lease, take and hire from the City the following property and interest in property (the "Property"):

I.

Real Property

The real property and interests therein described in Exhibit A attached hereto, together with all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges and immunities pertaining or applicable to said real property and interests therein.

II.

Buildings, Structures and Improvements

All buildings, structures and improvements now or hereafter located on such real property.

III.

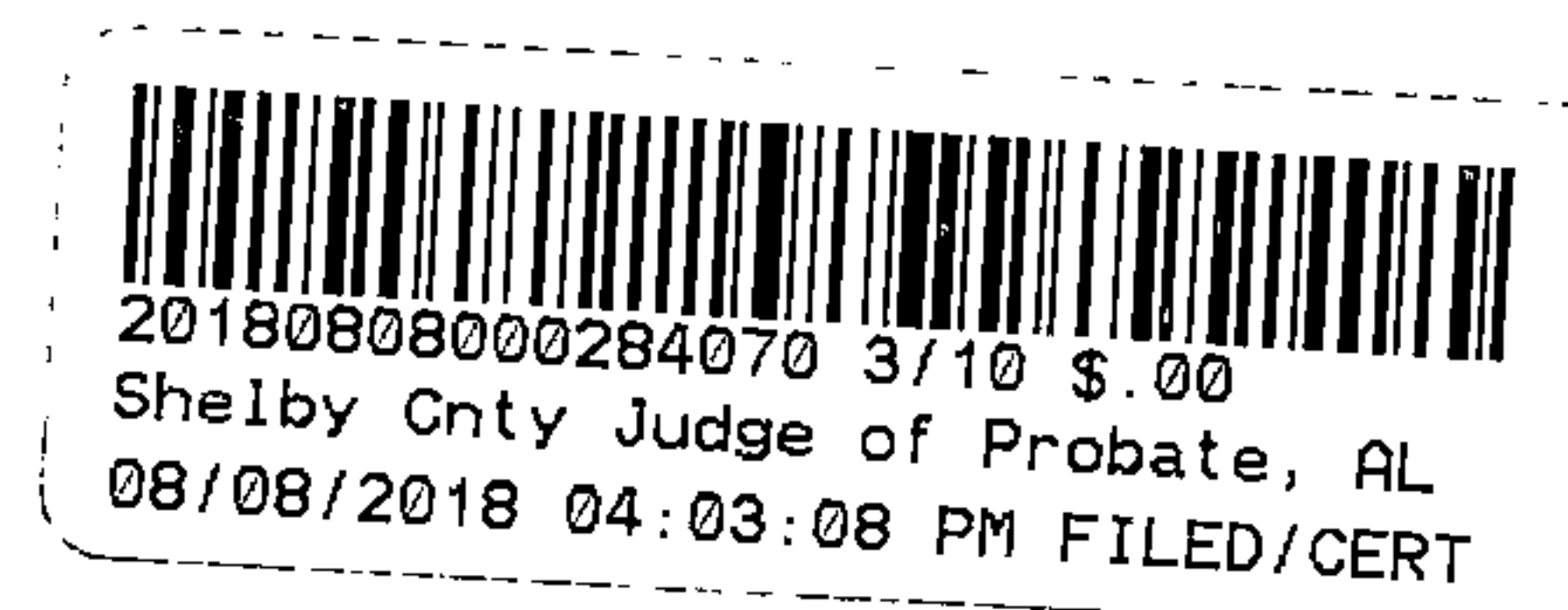
Personal Property and Fixtures

All personal property and fixtures now or hereafter installed or situated on such real property.

SUBJECT, HOWEVER, to all easements, permits, licenses, rights-of-way, contracts, leases, restrictions, covenants and other encumbrances of or pertaining to the Property.

2. Term.

(a) The term of this Lease Agreement commenced on the date hereof.



(b) This Lease Agreement shall automatically terminate when payment of all amounts relating to the Series 2018-A Bonds shall have been made, but in no event later than May 31, 2048. Although the termination of this Lease Agreement shall be automatic without any act or notice of the City or the District, the City and the District hereby agree to execute and deliver whatever instrument that the other party reasonably requests to evidence such termination.

(c) Upon termination of this Lease Agreement, which shall occur simultaneously with the termination of the Financing Lease Agreement, all right, title and interest of the District in and to the Property and the Project shall automatically transfer to, vest in and become the property of the City. Although the transfer to and vesting in the City of all of the District's right, title and interest in and to the Property and the Project shall automatically occur upon the termination of this Lease Agreement, the District hereby agrees to execute whatever instrument that the City reasonably requests to evidence such transfer and vesting.

3. Rent; Nature of District's Obligations.

(a) Rent. Rent for the term of this Lease Agreement shall be the sum of \$10.00, which shall be payable in advance on the date hereof.

(b) Nature of District's Obligations. This Lease Agreement shall not be subject to termination, nor shall the obligations of the District hereunder be affected by reason of: (i) any casualty, except as expressly provided in Section 9; (ii) any taking, except as expressly provided in Section 10; (iii) any prohibition, limitation, restriction, prevention of, or interference with, the District's use, occupancy or enjoyment of the Property, except as a result of persons acting by, through or under the City; (iv) any action of any governmental authority, except as a result of persons acting by, through or under the City; or (v) the impossibility or illegality of performance by the City, the District or both, except as a result of persons acting by, through or under the City. The parties intend that the duties and obligations of the District hereunder shall be separate and independent covenants and agreements and shall continue unaffected unless such duties and obligations have been modified or terminated pursuant to the express provisions of this Lease Agreement.

4. The Project.

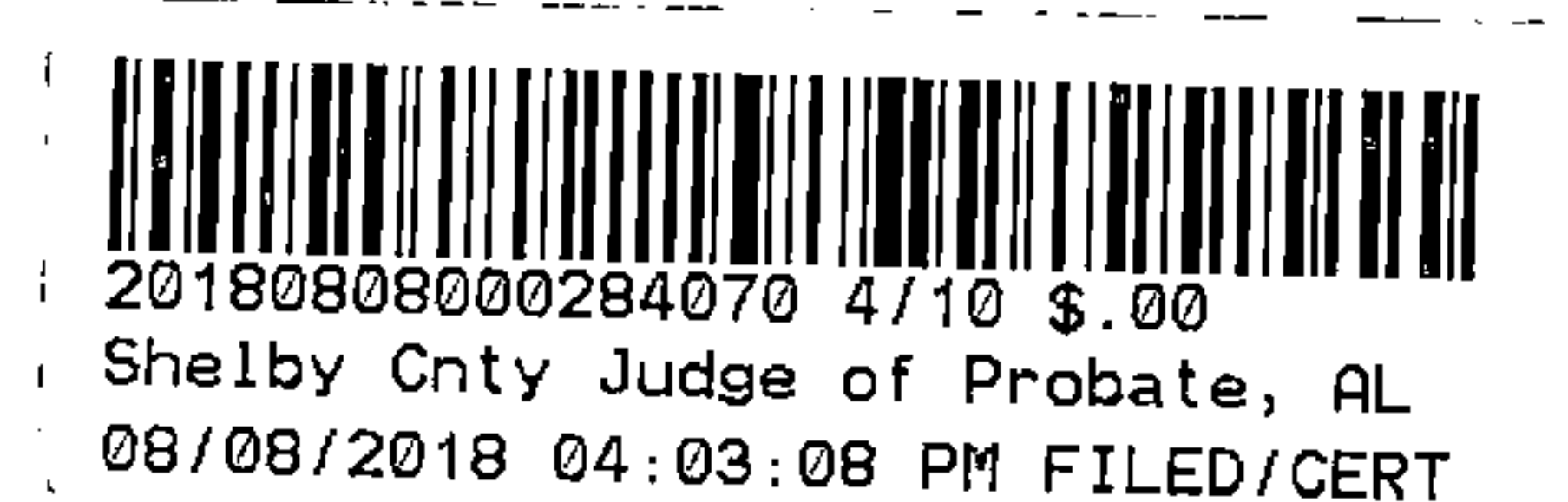
The City acknowledges and agrees that the Project shall be constructed on the Property in accordance with the Indenture and the Financing Lease Agreement. The City shall reasonably assist the District in obtaining all required approvals and otherwise reasonably cooperate with the District in connection with any permit, license or other approval from any governmental authority which may reasonably be necessary for or which will facilitate the construction, operation and use of the Project.

5. Maintenance of the Project.

The Property, the Project and any related improvements shall be maintained, repaired and replaced in accordance with the Financing Lease Agreement.

6. Title and Quiet Enjoyment.

The City represents and warrants that it is authorized to execute this Lease Agreement for the term herein granted under the terms and conditions provided herein. The City covenants that the District, on the performance of the terms and conditions of this Lease Agreement, shall and may peaceably and quietly have, hold and enjoy the Property for the full term of this Lease Agreement.



7. **Utilities.**

All utilities used on or about the Property and the Project, including water, gas, electricity, heating, sewer, telephone and other utilities, and any connection and servicing fees, permit fees, inspection fees and fees to reserve capacity shall be provided and paid for in accordance with the Financing Lease Agreement.

8. **Payment of Taxes or Assessments.**

All real and personal property taxes, general and special, ordinary or extraordinary, foreseen or unforeseen, and all other charges, assessments including all assessments for public improvements or benefits, whether or not completed or commenced prior to the date hereof and whether or not to be completed during the term hereof and taxes of every description, levied on or assessed against the Property, the Project and other improvements located thereon shall be paid as provided in the Financing Lease Agreement.

9. **Damage or Destruction.**

So long as the Indenture and the Financing Lease Agreement shall remain in effect, the City and the District agree that in the event of damage to or destruction of the Project, the Indenture and the Financing Lease Agreement shall govern and control the rights and obligations of the City and the District with respect to the Project and any proceeds of insurance with respect thereto.

10. **Condemnation.**

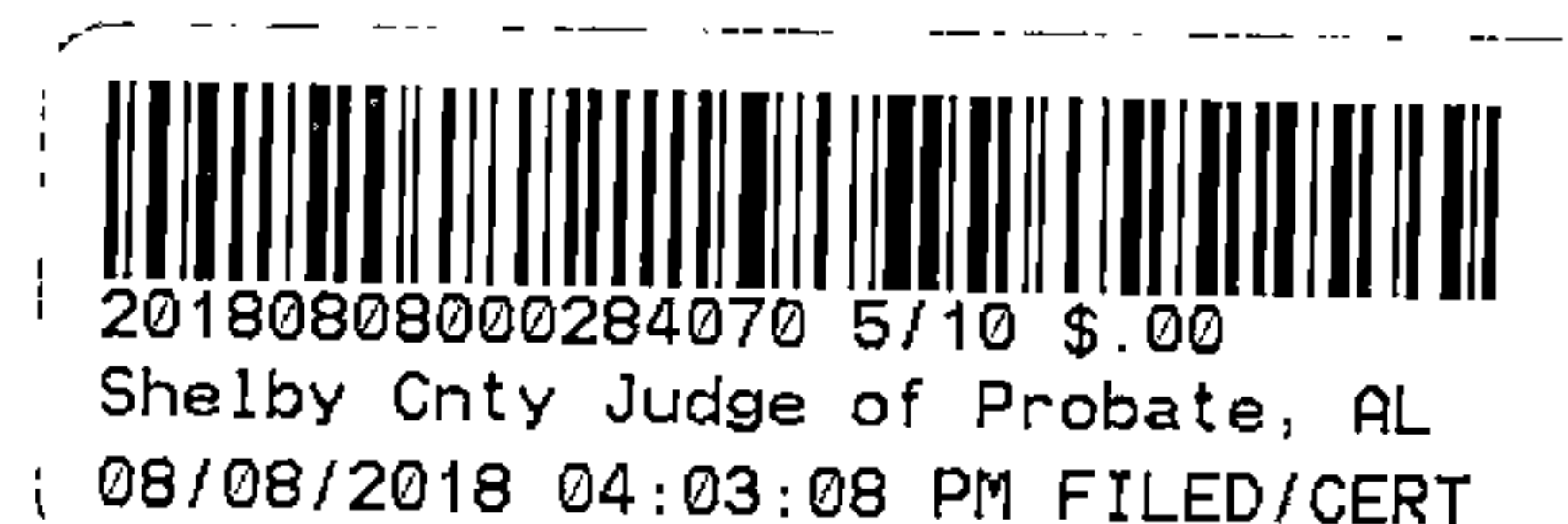
So long as the Indenture and the Financing Lease Agreement shall remain in effect, the City and the District agree that in event of taking of the Project or any part thereof by any action of eminent domain, the Indenture and the Financing Lease Agreement shall govern and control the rights and obligations of the City and the District with respect to the Project and any condemnation award with respect thereto.

11. **Default By District and Remedies.**

In the event the District shall fail to keep or violates any condition or agreement in this Lease Agreement on the part of the District to be performed and if such failure or violation shall have continued for a period of 15 days after written notice of default from the City to the District specifying the event of default, then, except as hereinafter specified, such violation or failure shall be deemed to constitute an event of default hereunder, and the City shall have all rights and remedies available at law or in equity; provided, however, under no circumstances shall the City be permitted to terminate this Lease Agreement for any default of the District hereunder.

12. **Default By City.**

Under no circumstances shall the District be permitted to terminate this Lease Agreement for any default of the City other than for actions that would be deemed to be a constructive eviction of the District under applicable laws.



13. Notices.

Any notice, demand, approval or other communication provided for in this Lease Agreement will be in writing and will be delivered by telephonic facsimile, overnight air courier, personal delivery or registered or certified U.S. Mail with return receipt requested, postage paid, to the appropriate party at its address as follows:

If to the City:
City of Columbiana
107 Mildred Street
Columbiana, Alabama 35051
Attention: City Clerk

If to the District:
Cultural Facilities Cooperative District of the City of Columbiana
c/o City of Columbiana
107 Mildred Street
Columbiana, Alabama 35051
Attention: City Clerk

Addresses for notice may be changed from time to time by written notice to all other parties. Any communication (i) if given by mail, will be effective upon the earlier of (A) three business days following deposit in a post office or other official depository under the care and custody of the United States Postal Service or (B) actual receipt, as indicated by the return receipt; (ii) if given by telephone facsimile, when sent; and (iii) if given by personal delivery or by overnight air courier, when delivered.

14. Successors and Assigns.

The covenants, conditions and agreements contained in this Lease Agreement shall bind and inure to the benefit of the City and the District and their respective successors, legal representatives and assigns. The City acknowledges and consents to the Financing Lease Agreement; provided, however, in no event shall the District be relieved of its obligations hereunder.

15. Governing Law.

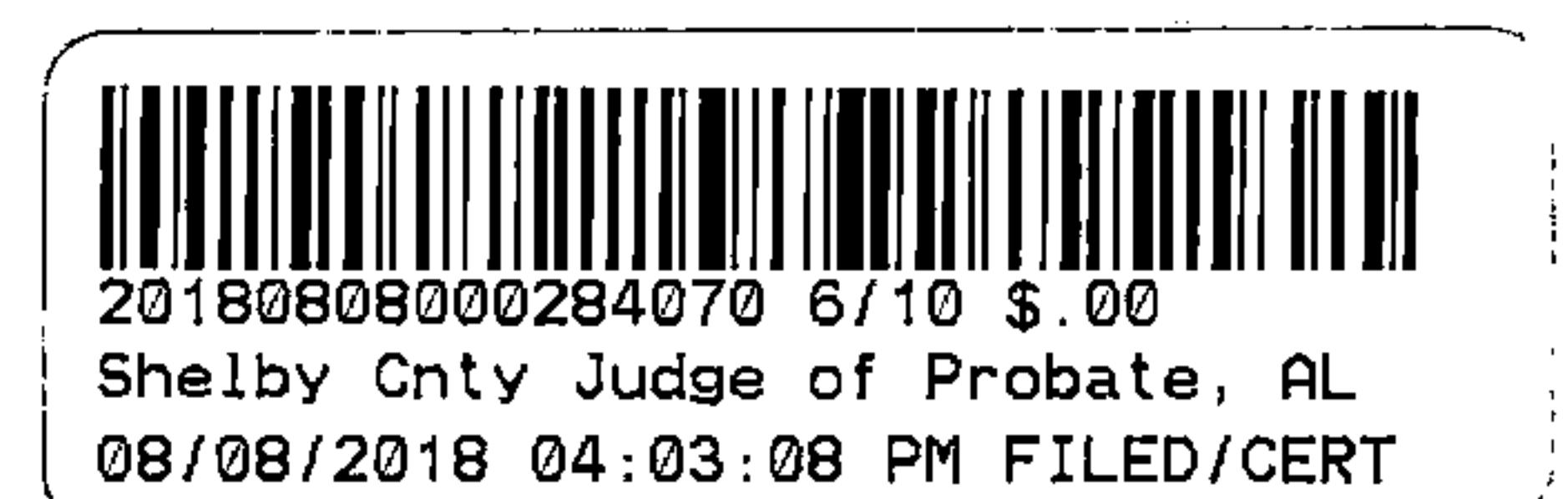
This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, without regard to conflict of laws principles.

16. No Partnership or Joint Venture.

Under no circumstances shall the City and the District be deemed or held to be partners or joint venturers in or concerning the Property or the Project.

17. Recordation of Lease Agreement.

The City or the District, in each case at the City's sole cost and expense, may record this Lease Agreement in the public records of Shelby County, Alabama.



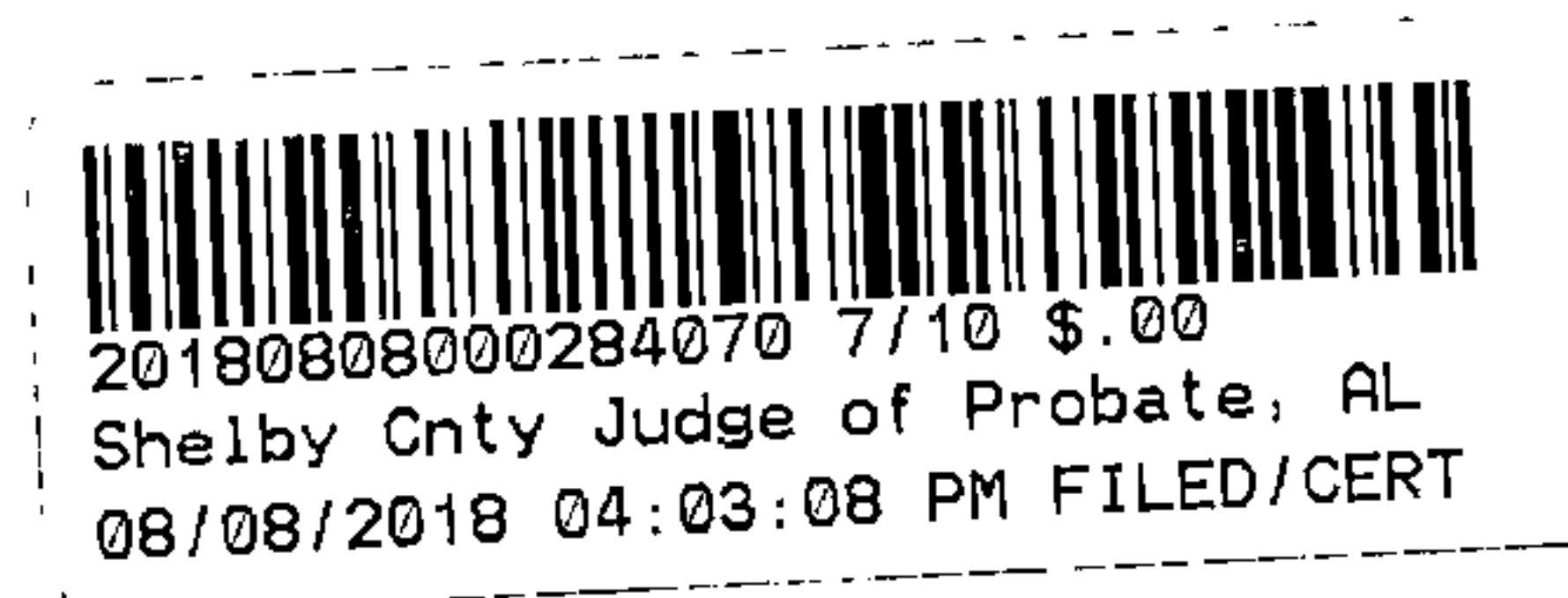
18. No Merger of Title.

There shall be no merger of this Lease Agreement or of the leasehold estate created hereby with any other leasehold estate or interest in the Property or the Project by reason of the fact that the same person, firm, corporation or other entity may acquire, own or hold, directly or indirectly, (a) this Lease Agreement or the leasehold estate created hereby or any interest in this Lease Agreement, and (b) a leasehold estate or fee estate in the Property or the Project, whether by virtue of the Financing Lease Agreement or otherwise.

19. Provisions of General Application.

This Lease Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This Lease Agreement shall not be modified or amended except by mutual written agreement. This Lease Agreement may be executed in one or more counterparts, each of which shall be an original and taken together shall constitute one and the same document.

[Signatures and acknowledgements appear on the following pages.]



IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

City:

CITY OF COLUMBIANA, ALABAMA

By: _____

Title: _____

[SEAL]

Attest:

By: _____

Title: _____

STATE OF ALABAMA)

COUNTY OF Shelby)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Stencil Handley, whose name as Mayor of the City of Columbiana, a municipal corporation organized under the laws 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 municipal corporation.

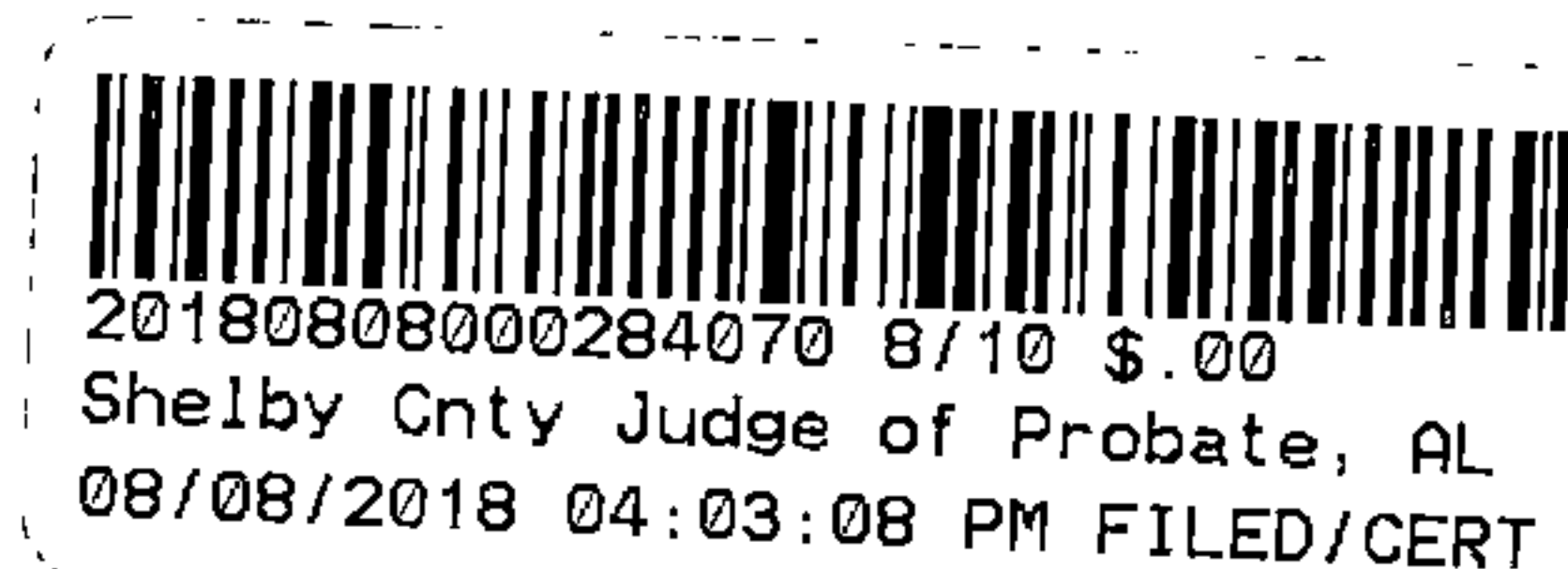
Given under my hand and official seal, this the 29th day of May, 2018.

[SEAL]

Brad Cherry
NOTARY PUBLIC

My Commission Expires: _____

My Commission Expires: 2/22/2022



District:

**CULTURAL FACILITIES COOPERATIVE DISTRICT
OF THE CITY OF COLUMBIANA**

By: [Signature]

Title: Chairman

[SEAL]

Attest:

By: [Signature]

Title: Secretary

STATE OF ALABAMA)

COUNTY OF Shelby)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Stancil Handley, whose name as Chairman of the Cultural Facilities Cooperative District of the City of Columbiana, 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 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 official seal, this the 29th day of May, 2018.

[SEAL]

[Signature]
NOTARY PUBLIC

My Commission Expires: _____

My Commission Expires: 2/22/2022

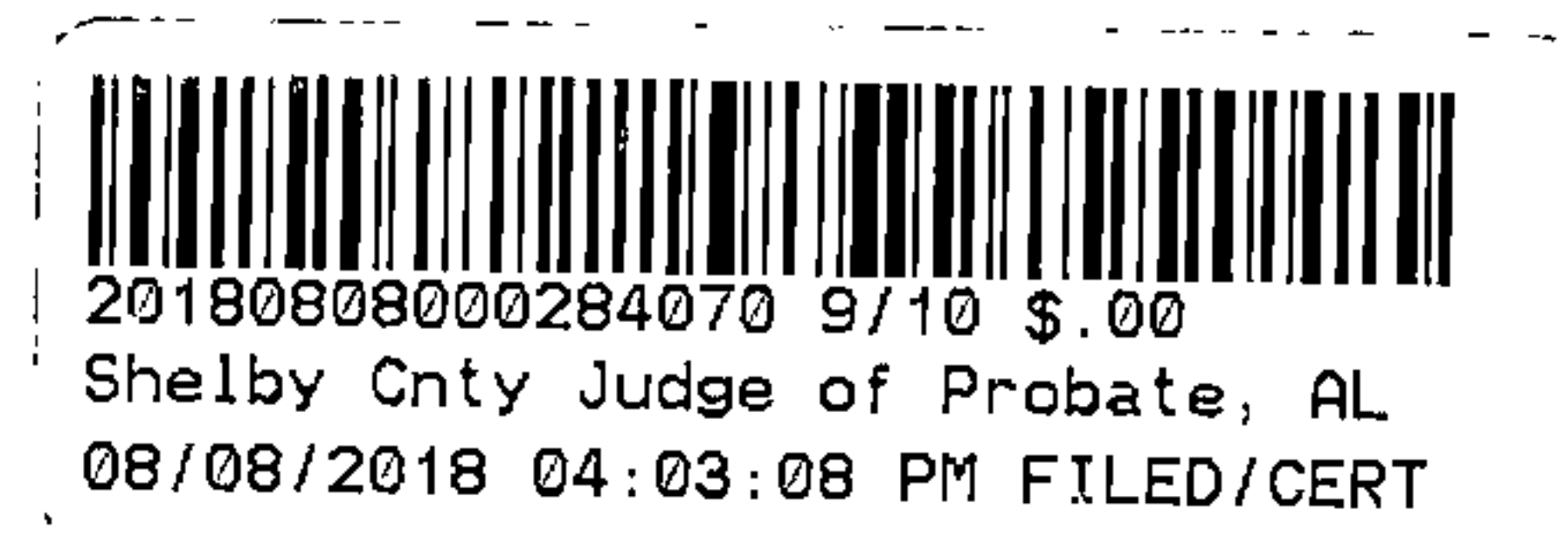


EXHIBIT A

Description of Real Property

Commence at the Northeast corner of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 26, Township 21 South, Range 1 West, and run South along the East line of said $\frac{1}{4}$ - $\frac{1}{4}$ section a distance of 264.00 feet; thence turn an angle of 61 degrees 30 minutes to the right and run a distance of 269.00 feet; thence turn an angle of 25 degrees 00 minutes to the right and run a distance of 525.71 feet; thence turn an angle of 86 degrees 13 minutes 59 seconds to the left and run a distance of 21.35 feet to the point of beginning; thence continue in the same direction a distance of 152.98 feet; thence turn an angle of 1 degree 53 minutes 16 seconds to the left and run a distance of 519.60 feet; thence turn an angle of 88 degrees 41 minutes to the right and run a distance of 50.00 feet; thence turn an angle of 88 degrees 41 minutes to the left and run a distance of 87.00 feet; thence turn an angle of 88 degrees 41 minutes to the right and run a distance of 143.78 feet to the Northeast right of way of the L & N Railroad; thence turn an angle of 69 degrees 23 minutes 25 seconds to the right and run along said right of way a distance of 648.13 feet; thence turn an angle of 108 degrees 16 minutes 43 seconds to the right and run a distance of 242.40 feet; thence turn an angle of 81 degrees 43 minutes 30 seconds to the left and run a distance of 186.36 feet; thence turn an angle of 109 degrees 59 minutes 00 seconds to the right and run a distance of 84.78 feet; thence turn an angle of 23 degrees 30 minutes to the left and run a distance of 106.18 feet to the point of beginning. Situated in the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 26, Township 21 South, Range 1 West, Shelby County, Alabama. According to survey of Frank W. Wheeler, Ala. Reg. L.S. No. 3385, dated July 24, 1981.



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Shelby Cnty Judge of Probate, AL
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