


SECOND SUPPLEMENTAL LEASE AGREEMENT between **THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO**, a public corporation and instrumentality organized under the laws of the State of Alabama (herein called the "Authority"), and The Citizenship Trust, a nonprofit corporation organized and existing under the laws of the State of Alabama (herein called the "Trust"),

RECITALS:

The Authority and the Trust have heretofore entered into a Lease Agreement dated as of July 1, 2012 (herein called the "Original Lease"), in and by which the Authority leased to the Trust the "Project" therein described. The costs of, among other things, acquiring, constructing and installing the Project were financed by the issuance by the Authority of its (i) \$5,185,000 initial principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A (herein called the "Series 2012-A Bonds"), now outstanding in the aggregate principal amount of \$3,680,000, (ii) \$3,350,000 initial principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B (herein called the "Series 2012-B Bonds"), now outstanding in the aggregate principal amount of \$2,730,000, (iii) \$230,000 initial principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C (herein called the "Series 2012-C Bonds"), which have been paid in full, and (iv) \$8,980,000 initial principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project, Series 2012-D (herein called the "Series 2012-D Bonds"), now outstanding in the original aggregate principal amount of \$8,980,000 (herein called together the "Series 2012 Bonds"), under a Mortgage and Trust Indenture dated as of July 1, 2012 (herein called the "Original Indenture"), between the Authority and Regions Bank, as trustee (herein, together with its successors in trust under the Indenture, called the "Trustee").

Furthermore, the Authority and the Trust have heretofore entered into a First Supplemental Lease Agreement dated as of June 1, 2017 (herein called the "First Supplemental Lease"), in and by which the Authority leased to the Trust the "Project" therein described. The costs of, among other things, acquiring, constructing and installing the Project were financed by the issuance by the Authority of its (i) \$2,345,000 principal amount Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A (herein called the "Series 2017-A Bonds"), and (ii) \$75,000 principal amount Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B (herein called the "Series 2017-B Bonds"), which are herein together called the "Series 2017 Bonds," in order to finance a portion of the costs of, among other things, acquiring, constructing and installing additional capital improvements that constitute part of the Project.

Simultaneously with the execution and delivery hereof, the Authority is issuing \$_____ principal amount of its Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2019 (herein called the "Series 2019 Bonds"), in order to finance a portion of the costs of refunding the Authority's Series 2012-A Bonds, Series 2012-B Bonds, and Series 2012-D Bonds (herein called together the "Refunded Series 2012 Bonds"). The Series 2019 Bonds are being issued under the Original Indenture, as supplemented and amended by a First Supplemental Mortgage and Trust Indenture dated as of June 1, 2017, and as further supplemented by a Second Supplemental Mortgage and Trust Indenture dated as of September 1, 2019, between the Authority and the Trustee (herein called the "Second Supplemental Indenture").


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

ARTICLE I

DEFINITIONS

Section 1.1. **Amended Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used in Original Lease, shall have the following respective amended meanings:

“Additional Bonds” means bonds of the Authority authorized in Article VIII of the Original Indenture to be issued thereunder and secured thereby on a parity of lien and pledge with the Series 2017 Bonds and the Series 2019 Bonds.

“Basic Rent” means (i) the moneys payable by the Trust pursuant to the provisions of Section 4.1 hereof, (ii) any other moneys payable by the Trust pursuant to the Lease to provide for the payment of the principal of and the interest and premium (if any) on the Series 2017 Bonds and the Series 2019 Bonds (other than the aforesaid moneys payable pursuant to Section 4.1 hereof), and (iii) any other moneys payable by the Trust pursuant to the Lease that are therein referred to as Basic Rent.

“Bond Payment Date” means each June 1 and December 1, commencing with June 1, 2019, on which any principal or interest with respect to the Series 2017 Bonds and the Series 2019 Bonds shall mature and be due and payable or on which any principal amount of the Series 2017 Bonds and the Series 2019 Bonds shall be required by the Indenture to be redeemed prior to the stated maturity thereof.

“Bonds” means all bonds of the Authority issued under the Indenture (viz., the Series 2017 Bonds, the Series 2019 Bonds, and all Additional Bonds).

“Tax-Exempt” means, with respect to interest on any obligations of a state or local government, including the Series 2017 Bonds and the Series 2019 Bonds, that such interest is excludable from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, foreign branch profit tax or any other type of taxation other than the regular tax imposed on gross income under the Code.

Section 1.2. **New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used herein, shall have the following respective meanings:

“Refunded Series 2012 Bonds” means the Authority’s (i) \$5,185,000 initial principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A, now outstanding in the aggregate principal amount of \$3,680,000, (ii) \$3,350,000 initial principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B, now outstanding in the aggregate principal amount of \$2,730,000, and (iii) \$8,980,000 initial principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project, Series 2012-D (the “Series 2012-D Bonds”), now outstanding in the original aggregate principal amount of \$8,980,000.

“Second Supplemental Indenture” means that certain Second Supplemental Mortgage and Trust Indenture dated as of September 1, 2019, between the Authority and Regions Bank, as Trustee, as said Second Supplemental Mortgage and Trust Indenture now exists and as it may from time to time be amended or supplemented.

“Second Supplemental Lease” means this Second Supplemental Lease Agreement as it now exists and as it may from time to time be amended or supplemented.

“Series 2019 Bonds” means the Authority’s Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2019, issued in the original aggregate principal amount of \$_____.

“Series 2019 Determination of Taxability” means a determination made in accordance with the provisions of Section 4.2 hereof, that the interest payable on any of the Series 2019 Bonds is not Tax-Exempt to the owner thereof.

“Series 2019 Event of Taxability” means an event which causes the interest income on any of the Series 2019 Bonds to become includable in gross income for federal income tax purposes as a result of any of the conditions or circumstances set forth in Section 4.2 hereof.

“Series 2019 Official Statement” means the Official Statement of the Authority respecting the Series 2019 Bonds.

“Series 2019 Issuance Expenses” means the expenses of issuing the Series 2019 Bonds within the meaning of Section 147(g) of the Code.

“Series 2019 Taxability Redemption Date” means, when used with respect to any Affected Series of the Series 2019 Bonds, the date designated by the Trust and not later than ninety (90) days following the related Series 2019 Determination of Taxability, on which all then outstanding Bonds of the Affected Series are required to be redeemed, pursuant to the provisions of clause (iii) of Section 3.5 of the Second Supplemental Indenture, as the result of a Series 2019 Determination of Taxability.

Section 1.3. Definitions Contained in the Lease, the Indenture, the First Supplemental Indenture, and the Second Supplemental Indenture. The Second Supplemental Indenture is being executed and delivered simultaneously with the delivery hereof, and the terms and conditions thereof are hereby made a part of the Second Supplemental Lease 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 Second Supplemental Lease as defined terms without being herein defined shall have the meanings respectively given them in the Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Lease, and the First Supplemental Lease if they are therein defined.

Section 1.4. Use of Phrases. “Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to the Lease 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 and Section 1.2 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 duly organized and validly existing under the provisions of the Act, as now existing, by reason of its certificate of incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama. The certificate of incorporation of the Authority has not been amended or revoked, and the said certificate of incorporation is in full force and effect. The Authority is not in default under any of the provisions contained in said certificate of incorporation or its bylaws or in the laws of the State of Alabama.

(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 Second Supplemental Lease Agreement or which might adversely affect the validity or enforceability of this Second 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 Second Supplemental Lease Agreement.

(c) Sale and Other Transactions are Legal and Authorized. The sale and issuance of the Series 2019 Bonds, the execution and delivery of this Second Supplemental Lease Agreement and the Second Supplemental Indenture, and the compliance with all the provisions of each thereof and of the Series 2019 Bonds 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, the Act, the certificate of incorporation of the Authority, 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 consent, approval or authorization of, or filing, registration or qualification with, any governmental body on the part of the Authority is required in connection with the execution, delivery and performance of either this Second Supplemental Lease Agreement or the Second Supplemental Indenture or the offering, sale, issuance or delivery of any of the Series 2019 Bonds.

(e) Public Approval. The issuance of the Series 2019 Bonds has been approved by the Municipality (the Municipality being the Governmental Unit on behalf of which the Series 2019 Bonds are being issued and in whose geographic jurisdiction the Project is located), said approval having been made by the applicable elected representative of said Governmental Unit (viz., the Mayor of the Municipality) after a public hearing following reasonable public notice, all in accordance with the provisions of Section 147(f) of the Code and the applicable regulations thereunder.

(f) 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 its certificate of incorporation, or any agreement or instrument to which it is a party or by which it is bound.

(g) The Series 2019 Bonds. The Series 2019 Bonds, when issued and paid for in accordance with this Second Supplemental Lease Agreement and the Indenture, as supplemented and amended by the Second Supplemental Indenture, and when duly authenticated by the Trustee, will constitute legal, valid and binding special obligations of the Authority payable solely from the sources provided in the Indenture, as supplemented and amended by the Second Supplemental Indenture.

Section 2.2 Representations and Warranties by the Trust. The Trust makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Status of the Trust. The Trust is a nonprofit corporation organized and existing under the laws of the State of Alabama, and as such the Trust has full power and authority to enter into the Second Supplemental Lease and to consummate the transactions contemplated thereby.

(b) Authorization and Validity of this Second Supplemental Lease Agreement. When duly executed and delivered by the Authority, this Second Supplemental Lease Agreement will constitute a legal, valid and binding obligation of the Trust, enforceable against the Trust in accordance with its terms.

(c) Exemption from Federal Income Taxation. The Trust is an organization described in Section 501(c)(3) of the Code and is exempt from federal income taxation under Sections 501(a) and 501(c)(3) of the Code. In that connection, the Trust has applied to the Internal Revenue Service for recognition of its status as an organization described in Section 501(c)(3) of the Code and has received from the Internal Revenue Service a ruling dated August 1996 (herein called the "Determination"), stating that, from such date, it will be exempt from federal income tax under the said Section 501(c)(3). The Determination has not been modified, limited or revoked, and the Trust is in compliance with all the terms, conditions and limitations (if any) contained therein. All information and statements contained in the application submitted by the Trust to the Internal Revenue Service as the basis for the Determination were true and not misleading as of the date of said application, and the said information and statements have since continued to be, and are as of the delivery of this Second Supplemental Lease Agreement, true in all material respects.

(d) Certain Federal Tax Matters.

(i) The Trust has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes (a) for which it is organized or operated or (b) disclosed to the Internal Revenue Service in connection with the Determination;

(ii) The Trust has not operated during its five most recent Fiscal Years or the current Fiscal Year, as of the date hereof, in a manner that would result in it being classified as an "action" organization within the meaning of Section 1.501(c)(3)-(l)(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(iii) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Trust, no individual who would be a "foundation manager" within the meaning of Section 4946(b) of the Code with respect to the Trust nor any Person controlled by any such individual or individuals or any of its Affiliates, nor any Person having a personal or private interest in the activities of the Trust has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Trust during the current Fiscal Year and the five Fiscal Years preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the Trust;

(iv) The Trust is not a "private foundation" within the meaning of Section

509(a) of the Code;

(v) The Trust has not received any indication or notice whatsoever to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(vi) The Trust has timely filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has timely notified the Internal Revenue Service of any changes in its organization and operation since the date of the application for the Determination;

(vii) The Trust has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code;

(viii) The Trust has not taken any action, and does not know of any action that any other Person has taken, nor does it know of the existence of any condition which would cause the Trust to lose its exemption from taxation under Section 501(a) of the Code or cause interest on the Series 2019 Bonds to be includable in the income of the recipients thereof for federal income tax purposes;

(ix) Taking into account the "issue price" (as defined in Section 1273 of the Code) of the various maturities and scheduled mandatory redemptions of the Series 2019 Bonds, the average term of the Series 2019 Bonds, as hereinafter defined, does not exceed 120% of the average reasonably expected economic life of the Project financed with the proceeds of the Series 2019 Bonds, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly or indirectly, with the proceeds of the Series 2019 Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the date of the issuance of the Series 2019 Bonds or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of the property being financed; and

(x) All of the documents, instruments and written information supplied by or on behalf of the Trust, which have been reasonably relied upon by Butler Snow LLP, in rendering its opinion with respect to the excludability from gross income of the interest on the Series 2019 Bonds for federal income tax purposes, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein to make the information provided therein, in light of the circumstances under which such information was provided, not misleading.

(e) Burdensome and Conflicting Agreements. The Trust is not a party to any instrument or agreement or subject to any judgment, order, rule or regulation which materially and adversely affects, or in the future may (so far as the Governing Body can now foresee) materially and adversely affect, the business, prospects, operations, properties, assets or condition (financial or otherwise) of the Trust. Neither the execution and delivery of this Second Supplemental Lease Agreement, nor the offering, sale and issuance of any of the Series 2019 Bonds, 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, any applicable law, rule, regulation, agreement, instrument, judgment or order by which the Trust is bound or to which the Trust or its properties is subject.

(f) Governmental Consents. The Trust is not required to obtain the consent or approval of any governmental body or agency in connection with the execution and delivery of this Second Supplemental Lease Agreement or the offering, sale, issuance or delivery of any of the Series 2019 Bonds (other than those already obtained, taken or made and which continue in full force and effect).

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

(h) No Defaults. No event has occurred and no condition exists which, upon the issuance of any of the Series 2019 Bonds, would constitute an Event of Default or which would become 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 Trust, 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 Trust is not in default in any respect under any trust instrument or bylaw or, to the best of the knowledge of the Trust, 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 Second Supplemental Lease Agreement or would impair the ability of the Trust to comply with its obligations hereunder. The Trust is not in default under the payment of the principal of or the interest on any of its material indebtedness and is not in default under any instrument or agreement under and subject to which any material indebtedness of the Trust has been incurred, and no event has occurred or is continuing under the provisions of any such instrument or agreement which constitutes or will constitute an event of default thereunder.

(i) Full Disclosure. Neither any information furnished by the Trust to the Underwriter in connection with the sale and issuance of the Series 2019 Bonds and the other transactions contemplated by this Second Supplemental Lease Agreement, including the financial information respecting the Trust for use by the Underwriter in the Official Statement, nor the representations and warranties made by the Trust in this Second Supplemental Lease Agreement or in any document in writing furnished by the Trust to the Underwriter in connection with the transactions contemplated hereby, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein, in light of the circumstances in which they were made, not misleading at the times they were made. There is no fact known to the Trust or which in the exercise of reasonable diligence should have been known to the Trust which the Trust has not disclosed to the Underwriter in writing prior to the execution and delivery of this Second Supplemental Lease Agreement which materially adversely affects or, so far as the Governing Body can now in the exercise of its reasonable business judgment foresee, will materially adversely affect the Project, the condition (financial or otherwise) of the Trust or the ability of the Trust to perform its obligations hereunder or under any agreement contemplated hereby.


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(j) Series 2019 Bonds Not Federally Guaranteed. The payment of the principal or interest with respect to the Series 2019 Bonds will not be guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof; nor will the Series 2019 Bonds be issued as part of an issue a significant portion of the proceeds of which are to be (i) used in making loans the payment of the principal or interest with respect to which is to be guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts [except as provided by Section 149(b)(3) of the Code]; nor will the payment of the principal or interest with respect to the Series 2019 Bonds be otherwise indirectly guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof.


Section 2.3 Reference to the Bonds, the Lease and the Indenture in the Lease. The Trust and the Authority acknowledge and agree that, from and after the issuance by the Authority of the Series 2019 Bonds, any reference in the Original Lease, the First Supplemental Lease, or the Second Supplemental Lease to the “Bonds” shall, unless the context clearly and unequivocally indicates otherwise, be construed to include the Series 2017 Bonds for so long as the same shall remain outstanding, and the Series 2019 Bonds.

The Trust and the Authority further acknowledge and agree that, from and after the delivery of the Second Supplemental Lease and the issuance by the Authority of the Series 2019 Bonds,

(a) any reference in the Original Lease, First Supplemental Lease or the Second Supplemental 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 the Second Supplemental Indenture, and

(b) any reference in the Original Lease, First Supplemental Lease or the Second Supplemental Lease to “the Lease” or “this Lease Agreement” or the use of any word or phrase intended to refer to the Lease, as for example, but without limitation thereof, 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 First Supplemental Lease and this Second Supplemental Lease.

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


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ARTICLE III

ISSUANCE OF THE SERIES 2019 BONDS

Section 3.1 **Agreement to Issue Series 2019 Bonds.** In order to refund the Refunded Series 2012 Bonds, the Authority will, simultaneously with the delivery hereof, issue and sell the Series 2019 Bonds and, as security therefor under the Indenture, execute and deliver the Second Supplemental Indenture. All the terms and conditions of the Indenture (including, without limitation, those relating to the amounts and maturity date or dates of the principal of the Series 2019 Bonds, the interest rate or rates thereof and the provisions for redemption thereof prior to their respective maturities as specified in the Second Supplemental Indenture) are hereby approved by the Trust, and to the extent that any provision of the Indenture, as supplemented by the Second Supplemental Indenture, is relevant to the calculation of any rental or other amount payable by the Trust hereunder or to the determination of any other obligation of the Trust hereunder, the Trust hereby agrees that such provision of the Indenture, as supplemented by the Second Supplemental Indenture, shall be deemed a part hereof as fully and completely as if set out herein.

ARTICLE IV

EXTENSION OF LEASE TERM; AMENDMENT OF RENTAL PROVISIONS

Section 4.1 **Extension of Lease Term; Amended Rental Provisions.** The Lease Term is hereby extended until 11:59 o'clock, P.M. _____, 20__.

Section 5.2 of the Original Lease is hereby amended by deleting "November 2047" in the first sentence of the first paragraph thereof and substituting "_____" therefor.

Section 5.3 of the Original Lease is hereby amended by deleting the last sentence of the first paragraph thereof and the next succeeding paragraph and substituting the following language therefor:

"Each installment of Basic Rent shall be paid in immediately available funds and shall be in an amount equal to the sum of the following:

(a) an amount equal to one-sixth (1/6) of the interest that will become due with respect to the then outstanding Series 2017 Bonds and the Series 2019 Bonds on the next succeeding Bond Payment Date;

(b) an amount equal to the sum of one-twelfth (1/12) the principal amount that will mature or will be subject to scheduled mandatory redemption with respect to the then outstanding Series 2017 Bonds and the Series 2019 Bonds on the then next succeeding December 1; and

(c) following any withdrawal from the Debt Service Reserve Fund, an amount obtained by dividing (i) the amount of such withdrawal by (ii) the number of months between the first day of the calendar month in which such withdrawal occurred in the last day of the eleventh (11th) calendar month next succeeding such withdrawal, all to

the end that the amounts payable pursuant to this clause (iii) will cause any withdrawal from the Debt Service Reserve Fund to be fully restored within twelve (12) months after such withdrawal occurred.

Anything to the contrary contained in the Lease notwithstanding, there shall be credited against any installment of Basic Rent due hereunder any amount then held in the Bond Fund to the extent that such amount has not theretofore been credited on a previously due installment of Basic Rent; provided, however, that moneys in the Bond Fund shall not be credited against any such installment if such moneys (i) are held therein for payment of matured but unpaid Series 2017 Bonds or Series 2019 Bonds, as applicable, Series 2017 Bonds or Series 2019 Bonds, as applicable, called for redemption but not yet redeemed and matured but unpaid interest on the Series 2017 Bonds or Series 2019 Bonds, as applicable; (ii) are held therein pursuant to instructions from the Trust for the future redemption or purchase of Series 2017 Bonds or Series 2019 Bonds, as applicable; or (iii) are held therein for the payment of unmatured Series 2017 Bonds or Series 2019 Bonds, as applicable, not called for redemption if such Series 2017 Bonds or Series 2019 Bonds, as applicable, are considered fully paid pursuant to the provisions of Section 16.1 of the Indenture by reason of the fact that such moneys are so held in the Bond Fund.”

Until the Series 2019 Bonds are fully paid, any reference in Article V of the Original Indenture shall be deemed to refer to both the Series 2017 Bonds and the Series 2019 Bonds, and after the Series 2017 Bonds are fully paid, all references in said Article V to the Series 2017 Bonds shall be deemed to refer to the Series 2019 Bonds.

Section 4.2 Concerning a Series 2019 Determination of Taxability. It is understood by the parties hereto, on the basis of representations, warranties and covenants contained in Sections 2.1, 2.2, 5.4 and 5.5 hereof,

(a) that the interest income on the Series 2019 Bonds will be excludable from gross income of the Holders thereof for purposes of federal income taxation under the provisions of Section 103 of the Code; and

(b) that the Series 2019 Bonds will not be “arbitrage bonds” within the meaning of Section 148 of the Code.

The Trust understands and agrees (i) that one of the principal inducements to the purchase of the Series 2019 Bonds by the Underwriter is that under existing law the interest thereon will be excluded from gross income of the Holders thereof for federal income tax purposes, and (ii) that, as a result of a mistake in any one or more of the aforesaid representations, or as a result of the breach of any one or more of the aforesaid warranties or covenants, the interest on any series of the Series 2019 Bonds may, under the provisions of Section 103 and related provisions of the Code, be or become includable in gross income of the Holders thereof for federal income tax purposes. Therefore, upon the occurrence of a Series 2019 Determination of Taxability, the Trust shall be obligated to pay, in addition to all other Basic Rent and additional rentals due from the Trust hereunder, the special installments of Basic Rent provided for in Section 4.1 hereof.

A Series 2019 Event of Taxability shall result from the interest on the Series 2019 Bonds being or becoming includable in gross income of the Holders thereof for federal income tax purposes as a result of any of the following conditions or circumstances:

(a) the Series 2019 Bonds constitute “arbitrage bonds” within the meaning of Section 148 of the Code; or

(b) the taking of any action by the Authority or the Trust, or the failure of the Authority or the Trust to take any action, or any mistake in or untruthfulness of any representation of the Authority or the Trust contained in the Lease or in any certificate of the Authority or the Trust delivered pursuant to the Lease or the Indenture or in connection with the issuance of the Series 2019 Bonds, if such action or omission, or such mistake in or untruthfulness of such representation, has the effect of causing the interest on the Series 2019 Bonds to be or become subject to federal income taxation;

provided that no Series 2019 Event of Taxability shall be deemed to have occurred with respect to any Series 2019 Bond if the interest thereon becomes subject to (i) the minimum tax imposed on individuals pursuant to the provisions of Section 55 of the Internal Revenue Code, or (ii), in the case of United States branches of foreign corporations, the branch profits tax imposed by Section 884 of the Internal Revenue Code.

Irrespective of whether any or none of the Series 2019 Bonds are at the time outstanding, a Series 2019 Determination of Taxability shall be deemed to have occurred on the first to occur of the following:

(a) the date on which the Trust determines that the interest income on the Series 2019 Bonds is includable in gross income of the Holders thereof for federal income tax purposes by filing with the Trustee a statement to that effect, supported by any tax schedule, return or other document which discloses that an Series 2019 Event of Taxability has occurred;

(b) the date on which the Trust or any Holder of any of the Series 2019 Bonds shall be notified by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that, based upon any filings of the Trust, or upon any review or audit of the Trust, or upon any other grounds whatsoever, an Series 2019 Event of Taxability has occurred; or

(c) the date on which the Trust shall receive written notice from the Trustee that (i) the Trustee has been notified in writing by any Holder of any Series 2019 Bonds that the Internal Revenue Service has assessed as includable in the gross income of the Holders thereof of such Holder the interest on such Series 2019 Bonds due to the occurrence of an Series 2019 Event of Taxability, or (ii) that the Trustee has been notified by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that the interest on any Series 2019 Bonds is includable in the gross income of the Holders thereof of any Holder thereof due to the occurrence of an Series 2019 Event of Taxability.

Anything herein contained to the contrary notwithstanding, no Series 2019 Determination of Taxability shall result from any ruling or technical advice of the Internal Revenue Service unless the Trust initiated the request for such ruling or advice or was afforded the opportunity to participate in such request and all other negotiations and communications with the Internal Revenue Service respecting such ruling or advice. Further, anything herein contained to the contrary notwithstanding, no Series 2019 Determination of Taxability shall result from any audit, investigation, suit, proceeding or any other action by the Internal Revenue Service that involves any Holder or former Holder of the Series 2019 Bonds and that might be reasonably expected to lead to a Series 2019 Determination of Taxability, unless (i) the Trust has received timely notice of such audit, investigation, suit, proceeding or other action, including, without limitation, notice of any preliminary notice of deficiency (the so-called “30-day letter”) received by any Holder or former Holder, (ii) subject to the conditions of this section, the Trust has been afforded a reasonable opportunity to contest, through appropriate proceedings conducted in the name and behalf of any Holder

or former Holder of the Series 2019 Bonds, any assessment or other action by the Internal Revenue Service against any Holder or former Holder of the Series 2019 Bonds based on a determination that the interest on the Series 2019 Bonds is includable in gross income of the Holders thereof for federal income tax purposes, and (iii) such contest, if made, has been abandoned by the Trust or has been finally decided by a court of competent jurisdiction from which no further appeal exists. Nothing herein contained shall be construed to impose upon the Trust any obligation to contest any assessment or other action by the Internal Revenue Service providing the basis for a Series 2019 Determination of Taxability.

In order to afford the Trust time in which to decide whether to contest any assessment or other action by the Internal Revenue Service in connection with a pending Series 2019 Determination of Taxability, no such determination shall be recognized as occurring for a period of sixty (60) days following the event which, in the absence of the right of the Trust to contest, would otherwise have immediately constituted such a determination. Definitive recognition of the occurrence of a pending Series 2019 Determination of Taxability shall not be deferred for more than such initial sixty-day period unless, prior to the expiration thereof, the Trust (i) notifies the Trustee in writing of its intention to contest the assessment or other action by the Internal Revenue Service giving rise to such determination and (ii) furnishes to the Trustee a written opinion of Independent Counsel having expertise in federal tax law (which counsel shall be selected by the Trust but shall be acceptable to the Trustee) to the effect that there is a meritorious defense to the contention of the Internal Revenue Service that interest on the Series 2019 Bonds is includable in gross income of the Holders thereof for federal income tax purposes. If the Trust notifies the Trustee in writing during such initial sixty-day period that it has decided not to contest any action of the Internal Revenue Service in connection with a pending Series 2019 Determination of Taxability, or if the Trust does not notify the Trustee in writing of its intention to contest any such action or to furnish the Trustee with the opinion of Independent Counsel referred to in the preceding sentence prior to the expiration of such period, then, in either case, the pending Series 2019 Determination of Taxability shall be deemed to have occurred on the date of the event which, in the absence of the right of the Trust to contest, would have immediately constituted such determination.

If a Series 2019 Determination of Taxability is finally determined to have occurred as the result of a judicial decision in any contest conducted by or otherwise involving the Trust, or if any contest in connection with a Series 2019 Determination of Taxability is abandoned by the Trust, then the Trust shall promptly give written notice to the Trustee of such decision or abandonment, as the case may be, and shall state therein the date determined by the Trust to be that on which such decision or abandonment occurred, which date, subject to the right of the Trustee to designate a different date as hereinafter provided, shall be the date on which such Series 2019 Determination of Taxability shall be deemed to have occurred. If the Trust fails to give the notice required by the preceding sentence within a reasonable time, or if the Trust gives such notice but specifies therein a date for the Series 2019 Determination of Taxability that does not accord with the facts on which the determination of such date should have been based, or if such date has been otherwise determined in a manner prejudicial to the interests of the Holders or former Holders of the Series 2019 Bonds, then, in any such case, the Trustee, in the exercise of its sole judgment, shall designate the date of occurrence of the Series 2019 Determination of Taxability based upon such information as may be available to it. If continued contest by the Trust results in a deferral of a pending Series 2019 Determination of Taxability for more than three years, then, regardless of the continuation of such contest, such determination shall be deemed to have occurred three years after the date on which, absent such contest, it would otherwise have occurred. Nothing contained in the Lease or the Indenture shall be construed to prevent the recognition of a Series 2019 Determination of Taxability at any time after all of the Series 2019 Bonds have been paid in full and are no longer Outstanding.

If the Trust contests any action by the Internal Revenue Service that could result in a Series 2019 Determination of Taxability, and if such contest involves any Holder or former Holder of the Series 2019

Bonds, either through the appeal of any proposed assessment or other adjustment in the federal income taxes of such Holder or former Holder or through any proceeding brought in the name and behalf of such Holder or former Holder, then, and in such case, as a condition precedent to the obligations of the Trust to such Holder or former Holder arising under Article IV hereof as a result of a Series 2019 Determination of Taxability, such Holder or former Holder shall be obligated to cooperate fully with the Trust in such contest and, if requested by the Trust, to give the Trust complete control of the conduct of such contest on the part of such Holder or former Holder, including, without limitation, the right to select counsel therefor and the right to settle or compromise the question of whether interest on the Series 2019 Bonds is includable in the gross income of the Holders thereof of such Holder or former Holder for federal income tax purposes. In connection with such contest, the Trust will pay, or cause to be paid, all legal and other expenses incurred by the Trust in the name and behalf of any Holder or former Holder of the Series 2019 Bonds, as well as any legal and other expenses directly incurred by such Holder or former Holder with the written approval of the Trust. The Trust shall have the right to pay any tax deficiency or other charge assessed against any Holder or former Holder of the Series 2019 Bonds which the Trust deems it necessary or desirable to pay in connection with any contest, and any payment so made by the Trust shall be credited against any special rental payments which may ultimately be owed to such Holder or former Holder pursuant to the provisions of Article IV hereof.

If either the Trust or the Trustee learns, from any source other than the other party, of any action by the Internal Revenue Service or any other condition or event that constitutes or could result in a Series 2019 Determination of Taxability, the party so learning of such action, condition or event shall give notice thereof to the other such party as promptly as practicable. Further, upon learning from any source of any action by the Internal Revenue Service or any other condition or event that constitutes or could result in a Series 2019 Determination of Taxability (including particularly, but without limitation thereto, the definitive occurrence of a pending Series 2019 Determination of Taxability), the Trustee shall give written notice of such action, condition or event as promptly as practicable to all Holders of the Series 2019 Bonds then Outstanding and to all former Holders of the Series 2019 Bonds who held such bonds at any time subsequent to the date upon which, as a result of such action, condition or event, the interest on the Series 2019 Bonds may have become includable in gross income of the Holders thereof for federal income tax purposes, but if the Trustee learns of such action, condition or event from any source other than the Trust, the Trustee shall not give notice thereof to any Holder or former Holder before giving such notice to the Trust. In connection with such notice to the Holders and former Holders of the Series 2019 Bonds, the Trustee may request, and make arrangements for obtaining, advice and information from such Holders and former Holders concerning actions by the Internal Revenue Service which relate to the occurrence or probable occurrence of a Series 2019 Determination of Taxability.

As a condition precedent to the obligations of the Trust to any Holder or former Holder of the Series 2019 Bonds arising under Article IV hereof as the result of a Series 2019 Determination of Taxability, such Holder or former Holder shall be obligated to give timely written notice to the Trust and to the Trustee of any audit, investigation, suit, proceeding or other action by the Internal Revenue Service that involves such Holder or former Holder and that might reasonably be expected to lead to a Series 2019 Determination of Taxability. In the event that irreparable harm to the Trust results from the failure of any Holder or former Holder of the Series 2019 Bonds to give such notice to the Trust and to the Trustee, the Trust shall be discharged from such obligations (i.e., the obligations of the Trust resulting from a Series 2019 Determination of Taxability) to such Holder or former Holder, but the Trust shall not be discharged by such failure from such obligations to other Holders or former Holders of the Series 2019 Bonds who have not breached the duty to give notice to the Trust and to the Trustee.

The parties hereto understand and agree that the additional payment of Basic Rent and other payments required from the Trust by the provisions of Article IV hereof upon the occurrence of a Series 2019 Determination of Taxability, constitute liquidated damages for all losses and liabilities incurred at

any time by the Holders or former Holders of the Series 2019 Bonds as a result of the interest thereon being or becoming subject to federal income taxation. It is understood and agreed therefore, that if the Trust duly pays such additional Basic Rent and other payments upon the occurrence of a Series 2019 Determination of Taxability, then neither the Authority nor the Trustee nor any Holder or former Holder of any Series 2019 Bonds shall have any additional claim against the Trust on account of the untruthfulness of any representation by the Trust, the breach of any warranty or covenant of the Trust, or any action taken by the Trust, or any other event whether or not within the control of the Trust, which caused or may have caused the interest on the Series 2019 Bonds to be or become includable in gross income of the Holders thereof for federal income tax purposes. No provision of the Lease shall be construed or applied in such manner as to result in the multiple payment of the same loss, expense or claim of the Trustee or of any Holder or former Holder of any Series 2019 Bonds, and neither the Trustee nor any such Holder or former Holder shall be entitled to recover moneys from the Trust hereunder in payment of any such loss, expense or claim to the extent that the same has therefore been paid with moneys from another source.

Section 4.3 Mandatory Prepayment of Basic Rent in the Event of a Series 2019 Determination of Taxability. In the event of a Series 2019 Determination of Taxability, the Trust will pay to the Trustee for the account of the Authority and as a special installment of Basic Rent, an amount which will be sufficient to redeem and retire on the Taxability Redemption Date, at and for the applicable redemption price specified in clause (iii) of Section 3.5 of the Second Supplemental Indenture, all the Series 2019 Bonds that will be outstanding on the Taxability Redemption Date. The special installment of Basic Rent required to be paid by the Trust pursuant to this section shall be paid in immediately available funds on or before the close of business on the business day next preceding the Taxability Redemption Date; provided that if any of the moneys then held in the Bond Fund (exclusive of any moneys held therein for the payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed and matured but unpaid interest), the Redemption Fund, and the Debt Service Reserve Fund are not restricted to other purposes and can be applied to the redemption of Series 2019 Bonds, there shall be credited against such special installment of Basic Rent so much of such moneys as the Trust may specify in writing to the Authority and the Trustee.

If any Series 2019 Determination of Taxability occurs while the Lease is still in effect and all installments of Basic Rent referable to the Series 2019 Bonds have not yet become due and payable, then in such case the payment of the special installment of Basic Rent required by this section shall constitute a prepayment of the Basic Rent referable to the Series 2019 Bonds. The provisions of this section shall survive any termination of the Lease (including, without limitation, any termination pursuant to the provisions of any of Sections 7.2(a), 10.2(b), 11.1 and 11.2 of the Original Lease, or any termination resulting from the expiration of the Lease Term), and if any Series 2019 Determination of Taxability occurs after such termination, the Trust shall be obligated to pay such installment in addition to all Basic Rent paid prior to or at the termination of the Lease.

Section 4.4 Additional Rent—Trustee's Fees and Expenses. Section 5.3 of the Original Lease is hereby deleted in its entirety and the following language is substituted therefor:

"In addition to the Basic Rent and all other rental payments due from the Trust hereunder, the Trust will also pay, as additional rent, (i) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, (ii) the reasonable fees and charges of the Trustee as registrar, transfer agent and paying agent with respect to the Series 2017 Bonds and the Series 2019 Bonds, as well as the fees and charges of any other paying agent with respect to the Series 2017 Bonds and the Series 2019 Bonds who shall act as such agent in accordance with the

provisions of the Indenture, (iii) the reasonable fees and expenses of the Trustee in connection with the issuance of any new Series 2017 Bond or Series 2019 Bond upon the partial redemption of any Series 2017 Bond or Series 2019 Bond (including, without limitation, the expenses of printing such new Series 2017 Bond or Series 2019 Bond), (iv) the reasonable fees and expenses of the Trustee in connection with any other registration, transfer or exchange of any of the Series 2017 Bonds or the Series 2019 Bonds if the Trustee is not permitted by Section 5.4 of the Indenture to charge the Holder of such Series 2017 Bonds or Series 2019 Bonds for such fees and expenses, and (v) the reasonable fees, charges and expenses of the Trustee for necessary extraordinary services rendered by it and necessary extraordinary expenses incurred by it under the Indenture. All such fees, charges and expenses shall be paid directly to the Trustee, for its own account upon presentation of its statements therefor, but the Trust may, without creating a default hereunder, contest in good faith the necessity for any of the extraordinary services performed by the Trustee or the reasonableness of the fees, charges or expenses of the Trustee in connection therewith."

Section 4.5 Optional Prepayment of Basic Rent. In furtherance of the right of the Trust to prepay Basic Rent in order to enable the Authority to redeem and retire, in advance of maturity, any of the Bonds in accordance with their terms and the terms of the Indenture as provided in Section 5.7 of the Original Lease, prepayments of Basic Rent referable to the Series 2019 Bonds shall be applied to the redemption of Series 2019 Bonds at the redemption prices and in accordance with the other terms and conditions set forth in Section 3.3 of the Second Supplemental Indenture.

Section 4.6 Reaffirmation of Pledge of Direct Pledged Revenues. The pledge by the Trust of the Direct Pledged Revenues as security for the payment and performance by the Trust of its obligations under the Lease, all as provided in Section 5.10 of the Original Lease, is hereby reaffirmed.

ARTICLE V

MISCELLANEOUS

Section 5.1 Confirmation of Options. All the options granted to the Trust in Article V and XI of 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 2019 Bonds shall not be considered to cause or result in any change in (1) the option price payable by the Trust in the event of its exercise of the option to purchase the Projects granted in Section 11.2 of the Original Lease or (2) any other conditions applicable to the exercise of said option by the Trust.

Section 5.2 Prior Approval of the Trust Required for Optional Redemption of Bonds. Without the prior written approval of the Trust, the Authority will not take any action for the redemption of any of the Series 2019 Bonds pursuant to the provisions of Section 2.2 of the Second Supplemental Indenture.

Section 5.3 Reference to Basic Rent in the Lease. The Trust and the Authority acknowledge and agree that from and after the issuance of the Series 2019 Bonds, all references to "Basic Rent" in the Lease, shall be construed to refer also to the "Basic Rent" herein required by the Trust to be paid to the Authority.

Section 5.4 No-Arbitrage and Anti-Hedge Bond Covenants. Neither the Authority nor the Trust 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 2019 Bonds, or any revenues from the Project accumulated by the Authority, if, as a result of such action by the Authority or the Trust, or the omission of the Authority or the Trust to take such action, as the case may be, such proceeds or revenues would be invested in a manner causing any of the Series 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder or "hedge bonds" within the meaning of Section 149(b) of the Code and the applicable regulations thereunder. Without limiting the generality of the foregoing, the Trust and the Authority hereby covenant to take all actions required to satisfy, with respect to the Series 2019 Bonds, the arbitrage rebate requirement imposed by Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations promulgated thereunder.

Section 5.5 Tax Covenants. The Trust agrees that it will not knowingly take any affirmative action or omit to take any action, which action or omission will adversely affect the excludability from gross income of the interest on any of the Series 2019 Bonds for federal income tax purposes, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon advice of Counsel and, in all cases, at the sole expense of the Trust as may rescind or otherwise negate such action or omission. With the intent not to limit the generality of the foregoing, the Trust covenants and agrees that prior to final payment of the Series 2019 Bonds (unless it has delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that the taking or failure to take, as the case may be, of any of the following actions will not adversely affect the excludability from gross income of the interest on the Series 2019 Bonds for federal income tax purposes) as follows:

(a) The Trust will conduct its operations in a manner that will result in its continued qualification as an organization described in Section 501(c)(3) of the Code as described in Section 2.2 hereof, and timely file or cause to be filed all materials, returns, reports and other documents which are required to be filed with the Internal Revenue Service;

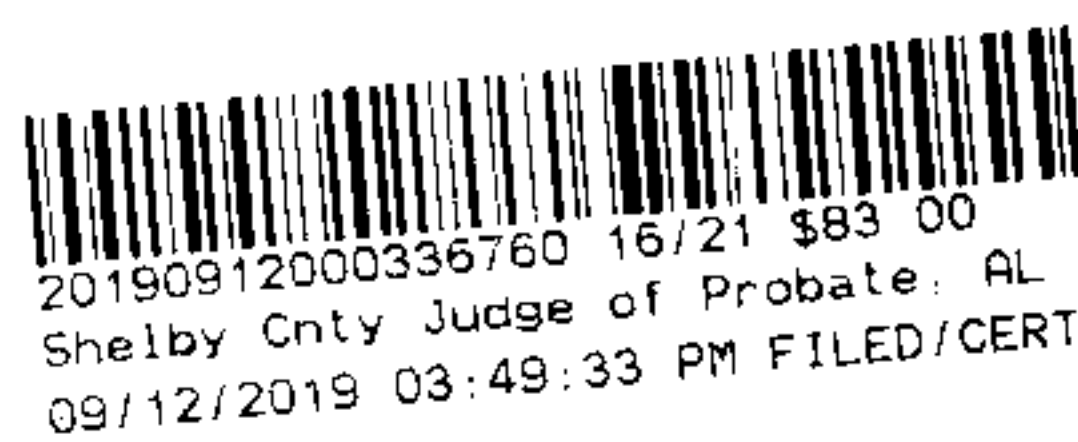
(b) The Trust will not divert any substantial part of its corpus or income for a purpose or purposes other than those for which it is organized and operated as described in Section 2.2 hereof;

(c) All of the property provided with the Net Proceeds of the Series 2019 Bonds will, at all times prior to final payment of the Series 2019 Bonds, be owned for federal income tax purposes by the Trust or by another Exempt Person;

(d) The Original Series 2019 Bond Proceeds of the Series 2019 Bonds will be expended for the purposes set forth in this Lease Agreement and in the Indenture and no portion thereof in excess of two percent (2%) of the proceeds of the Series 2019 Bonds will be expended to pay the Series 2019 Issuance Expenses of the Series 2019 Bonds;

(e) The Trust will not use or invest the Original Series 2019 Bond Proceeds of the Series 2019 Bonds or any amounts held under the Indenture in a manner that will result in the Series 2019 Bonds becoming "private activity bonds" other than "qualified 501(c)(3) bonds" within the meaning of Section 103 of the Code or "arbitrage bonds" within the meaning of Section 148 of the Code or that is inconsistent with the provisions of Sections 149(d)(3) or 149(d)(4) of the Code;

(f) The Trust will not use or permit to be used, directly or indirectly, in any trade or business carried on by any Person who is not an Exempt Person more than 5% of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds. For purposes of the preceding sentence, (i) use of such Original Series 2019 Bond Proceeds or Net Proceeds by an organization described in Section 501(c)(3) of the Code with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, does not constitute a use by an Exempt Person; (ii) use of any property financed with the Original Series



2019 Bond Proceeds of the Series 2019 Bonds constitutes use of such proceeds to the extent of the cost of such property financed with such proceeds plus an allocable amount of any contribution to a debt service reserve fund; (iii) any use of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds in any manner contrary to the guidelines set forth in Revenue Procedures 82-14, 1982-1 C.B. 459, and 82-15, 1982-1 C.B. 460, including any revisions or amendments thereto, shall constitute the use of such proceeds in the trade or business of one who is not an Exempt Person; and (iv) any use of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds to pay the Series 2019 Issuance Expenses of the Series 2019 Bonds shall constitute the use of such proceeds in the trade or business of one who is not an Exempt Person;

(g) The Trust will not use or permit the use of any portion of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds, directly or indirectly, to make or finance loans to persons who are not Exempt Persons. For purposes of the preceding sentence, (i) a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, does not constitute a loan to an Exempt Person and (ii) any transaction which constructively transfers ownership of property financed with Original Series 2019 Bond Proceeds of the Series 2019 Bonds for federal income tax purposes constitutes a loan of such Original Series 2019 Bond Proceeds;

(h) The Trust will not cause any of the Series 2019 Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code;

(i) None of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds will be used to provide any airplane, sky-box or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises;

(j) The Trust will comply with the information reporting requirements of section 149(e)(2) of the Code, requiring certain information regarding any of the Series 2019 Bonds to be filed with the Internal Revenue Service within prescribed time limits;

(k) The Trust will restrict the yield on the investment of the Original Series 2019 Bond Proceeds of the Series 2019 Bonds and moneys pledged to the repayment of such issue, other than amounts not subject to yield restriction due to deposit in a bona fide debt service fund to the extent required by the Code or the Regulations;

(l) The Trust will timely notify the Internal Revenue Service of any changes in its organizational documents or method of operations to the extent that the Internal Revenue Service does not already have knowledge of any such changes; and

(m) The Trust will not use or invest the Original Series 2019 Bond Proceeds of the Series 2019 Bonds in any way that will result in any of the Series 2019 Bonds becoming “arbitrage bonds” within the meaning of Section 148 of the Code.

To the extent published rulings of the Internal Revenue Service, Regulations or amendments to the Code alter or modify the actions or forbearances of the Trust which are set forth in this Section 5.5 or are necessary to preserve the excludability from gross income of interest on the Series 2019 Bonds for federal income tax purposes, the Trust hereby covenants and agrees to comply with such alterations or modifications.

Section 5.6 Triple Net Lease. The Trust and the Authority acknowledge and agree that the Lease is a “triple net” lease that requires the Trust to pay all expenses, taxes, fees, insurance premiums,

rebate payments, reserve deposits and costs associated with the Projects and the Lease without the right of offset.


Section 5.7 Confirmation of the Lease. As modified and supplemented by the First Supplemental Lease and the Second Supplemental Lease, the Original Lease is in all things and respects hereby ratified and confirmed.

Section 5.8 Binding Effect. This Second Supplemental Lease Agreement shall inure to the benefit of and shall be binding upon the Authority, the Trust and their respective successors and assigns.

Section 5.9 Severability. In the event any provision of the Second Supplemental Lease 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 Second Supplemental Lease. Without in any way limiting the generality of the foregoing, the Trust specifically acknowledges and agrees that the several purchase options granted it in the Lease (as further supplemented and confirmed by the Second Supplemental 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 or the Second Supplemental Lease nor excuse the Trust from fully performing and observing any of the agreements and covenants on its part therein or herein contained.

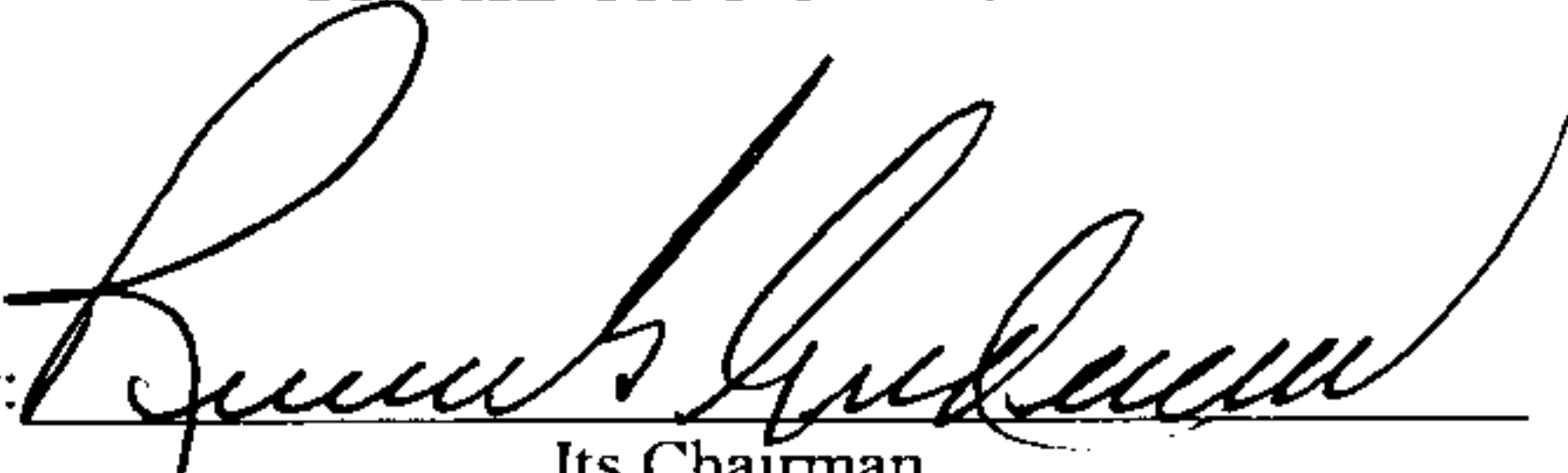
Section 5.10 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

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IN WITNESS WHEREOF, the Authority and the Trust have caused this Second Supplemental Lease Agreement to be executed in their respective names, have caused their respective seals to be hereunto affixed, have caused this Second Supplemental Lease Agreement to be attested, all by their duly authorized officers, all in five (5) counterparts, each of which shall be deemed an original, and have caused this Second Supplemental Lease Agreement to be dated as of September 1, 2019, although actually delivered by the parties hereto on September 9, 2019.

**THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO**

By: 
Its Chairman

ATTEST:



Secretary

[SEAL]

THE CITIZENSHIP TRUST

By: 
Its Executive Director

[SEAL]

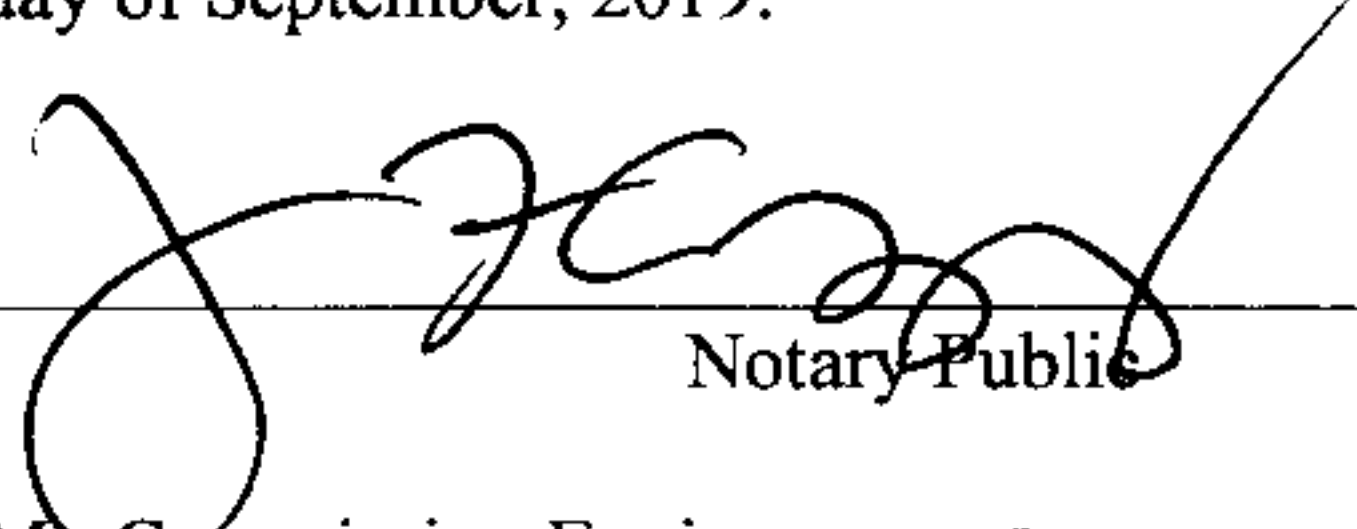

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STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Richard Anderson, whose name as Chairman of THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE TRUST OF MONTEVALLO, a public corporation and instrumentality 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 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 9 day of September, 2019.

[NOTARIAL SEAL]



Notary Public

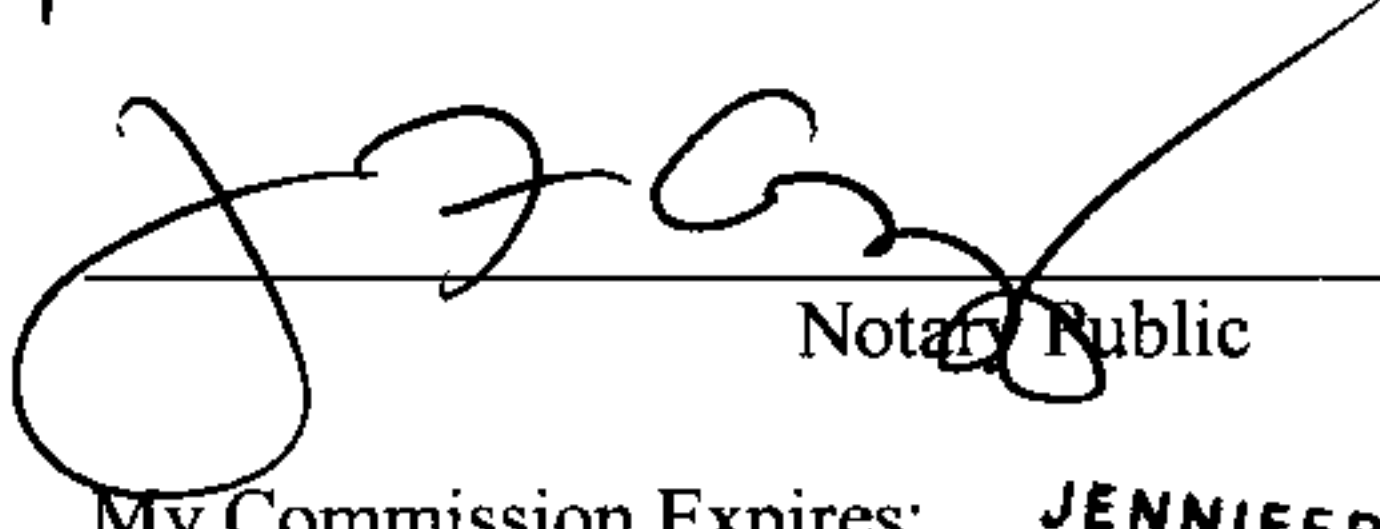
My Commission Expires: JENNIFER FORD GREGORY
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
July 01, 2023

STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Thomas G. Walker, Jr., whose name as Executive Director of THE CITIZENSHIP TRUST, a nonprofit corporation organized and existing 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 the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said nonprofit corporation.

GIVEN under my hand and seal, this 9 day of September, 2019.

[NOTARIAL SEAL]



Notary Public

My Commission Expires: JENNIFER FORD GREGORY
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
July 01, 2023

This instrument was prepared by:

E. Alston Ray, Esq.
Butler Snow LLP
One Federal Place
1819 Fifth Ave. North
Suite 1000
Birmingham, Alabama 35203



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