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LEASE AGREEMENT

Dated [Closing Date], 2010

among

U.S. BANK NATIONAL ASSOCIATION,
Lender,

and

THE CITY OF LINCOLN, NEBRASKA,
City,

and

NEBRASKA SCHOOL ACTIVITIES ASSOCIATION,
Corporation

$[Principal Amount]
Industrial Development Promissory Revenue Note
(Nebraska School Activities Association Project)
Series 2010

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LEASE AGREEMENT

This **LEASE AGREEMENT**, dated [Closing Date], 2010 (the **"Agreement"**), is entered into among **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and validly existing under the laws of the United States of America, as lender (together with its successors and assigns, the **"Lender"**), **THE CITY OF LINCOLN, NEBRASKA**, a city of the primary class and political subdivision duly organized and validly existing under the laws of the State of Nebraska (the **"State"**), and the **NEBRASKA SCHOOL ACTIVITIES ASSOCIATION** (the **"Corporation"**), a nonprofit corporation organized and existing under the laws of the State.

RECITALS

1. The City has lawful power and authority to enter into this Lease Agreement, acting by and through its Mayor and Council.

2. The City, in furtherance of the purposes, and pursuant to the provisions of Article XIII, Section 2 of the Nebraska Constitution and Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended (the **"Act"**), and in order to provide for the acquisition, purchase, construction, improvement, betterment and extension of economic development in the State, pursuant to a Lease Agreement dated July 17, 2007 (the **"2007 Lease Agreement"**), has:

(a) acquired, purchased, constructed, installed, improved and completed on the real estate (the **"Project Site"**) described on **Exhibit A** hereto located (1) within the corporate limits of the City and (2) within an area designated by the City as blighted and substandard within the meaning of Article XIII, Section 2 of the Nebraska Constitution in accordance with the provisions of the Community Development Law (Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended), but solely from the proceeds of the sale of the 2007 Bond (hereinafter defined), (A) a building, equipment, furnishings and related improvements which was suitable for any enterprise including, but not limited to, profit or nonprofit commercial, business, governmental or multifamily housing enterprises (the **"Project Improvements"**) and (B) certain items of equipment and personal property (the **"Project Equipment"**) for use in connection with the Facility (the Project Site, Project Improvements and Project Equipment are hereinafter referred to as the **"Project"**);

(b) leased the Project, together with all tenements, hereditaments, appurtenances, rights, privileges and immunities thereunto belonging or appertaining to the Corporation for the rentals and upon the terms and conditions set forth herein; and

(c) issued its $3,500,000 principal amount Industrial Development Revenue Bond (Nebraska School Activities Association Project) Series 2007, dated July 17, 2007 (the **"2007 Bond"**), pursuant to a Trust Indenture dated July 17, 2007 (the **"Indenture"**), between the City and U.S. Bank National Association, Lincoln, Nebraska, as trustee (the **"Trustee"**), under and pursuant to the Act for the purpose of paying the costs of the Project and the costs of issuing the 2007 Bond.

3. The City and the Corporation have determined that it is necessary, desirable, advisable and in the best interest of the Corporation to provide for the payment and redemption of the 2007 Bond through the issuance of its Industrial Development Promissory Revenue Note, Series 2010 (Nebraska School

Activities Association Project), dated the date of its issuance (the **"Note"**), pursuant to the terms and provisions hereof.

4. The Corporation is a nonprofit corporation duly organized and validly existing and in good standing under the laws of the State with full lawful power and authority to enter into this Lease Agreement, acting by and through its duly authorized officers.

5. The Corporation and the City propose to used the proceeds received from the issuance of the Note upon the terms and conditions set forth in this Agreement in order to provide for the payment and redemption of the 2007 Bond and pay certain costs of issuance of the Note.

6. The Corporation shall make Lease Payments (as hereinafter defined) directly to the Lender, as assignee of the City, pursuant to the terms set forth in this Agreement.

7. The City and the Corporation are executing and delivering to the Trustee a Deed of Trust, Security Agreement and Assignment of Rents and Leases dated [Closing Date], 2010 (the **"Deed of Trust"**) granting a first lien on the Project and a first priority security interest in certain personal property and other interests of the City and the Corporation.

NOW, THEREFORE, in consideration of the payments to be made under this Agreement and the representations, covenants and agreements contained within this Agreement, the Lender, the City and the Corporation agree as follows:

ARTICLE I
DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise:

"Act" means, collectively, Article XIII, Section 2 of the Nebraska Constitution and Sections 13-1101 to 13-1110, inclusive, Reissue Revised Statutes of Nebraska, as amended.

"Additional Payments" means the amounts, other than the Lease Payments, payable by the Corporation pursuant to this Agreement, including the fees pursuant to **Section 3.09**.

"Agreement" means this Lease Agreement, including all exhibits hereto, as supplemented or amended from time to time in accordance with the terms hereof.

"2007 Bond" means the City's Industrial Development Revenue Bond, Series 2007 (Nebraska School Activities Association Project), dated July 17, 2007, in the original principal amount of $3,500,000.00 of which $3,336,631.80 remains outstanding.

"City" means The City of Lincoln, Nebraska, a city of the primary class and political subdivision duly organized and validly existing under the laws of the State of Nebraska, its successors and assigns.

"Corporation" means Nebraska School Activities Association, a non-profit corporation duly organized and validly existing under the laws of the State of Nebraska, and its successors, presently located in Lincoln, Nebraska.

"Closing Date" means the date of the original issuance and delivery of the Note shall be the date the Note Proceeds are advanced for the payment and redemption the 2007 Bond.

"Code" means the Internal Revenue Code of 1986, as amended, and United States Treasury regulations promulgated thereunder.

"Deed of Trust" means the Deed of Trust, Security Agreement and Assignment of Rents from the City and the Corporation, as trustor, to the trustee named therein, dated as of the date hereof, for the benefit of the Lender with respect to the property described therein.

"Default" means an Event of Default or an event that, with giving of notice or passage of time or both, would constitute an Event of Default.

"Event of Default" means any of the events described as such in **Section 10.01**.

"Facilities" means any and all rights, titles and interests of the Corporation in and to all land, leasehold interests buildings, fixtures, and equipment located on the real property described in the Deed of Trust, together with the personal property described in the Deed of Trust, and any and all other property, whether real or personal, tangible (including cash) or intangible, added to the definition of property pursuant to an amendment to the Deed of Trust.

"Full Insurable Value" means the actual replacement cost of the Project less physical depreciation and exclusive of land, excavations, footings, foundations and parking lots, but in no event shall such value be less than the principal of the Note at the time Outstanding.

"Indebtedness" means, collectively, but without duplication with respect to the Corporation (a) indebtedness or liability for borrowed money or the deferred purchase price of property or services; (b) obligations as lessee under leases which are, should be or should have been, reported as capital leases in accordance with generally accepted accounting principles; (c) any guaranty and any contingent obligation to purchase, to provide funds for payment, to supply funds, to invest in any person or entity or otherwise to assure a creditor against loss; and (d) all other items or obligations which would be included in determining total liabilities on the balance sheet of the Corporation under generally accepted accounting principles.

"Independent" means, in the case of an individual, a person who is not a partner, member, director, officer or employee of the Corporation and, in the case of a firm, shall not have a partner, member, director, officer or employee who is a partner, member, director, officer or employee of the Corporation.

"Initial Money Market Rate" shall mean the rate per annum, determined solely by the Lender, on the first day of the term of the Note s mutually agreed upon by the Corporation and the Lender, as the rate at which the Lender would be able to borrow funds in Money Markets for the amount of the Loan and with an interest payment frequency and principal repayment schedule equal to the Loan and for a term as may be arranged and agreed upon by the Corporation and the Lender. Such a rate shall include FDIC insurance, reserve requirements and other explicit or implicit costs levied by any regulatory agency. The Corporation acknowledges that the Lender is under no obligation to actually purchase and/or match funds for the Initial Money Market Rate of the Loan.

"Insurance Consultant" means an individual or firm, selected by the Corporation and acceptable to the Lender, qualified to survey risks and to recommend insurance coverage for organizations engaged in like operations to those of the Corporation and having a favorable reputation for

skill and experience in such surveys and such recommendations, which individual or firm shall have no interest, direct or indirect, in the Corporation and in the case of an individual, shall not be a director, officer or employee of the Corporation, and, in the case of a firm, shall not have a partner, member, director, officer or employee who is a director, officer or employee of the Corporation and who may be a broker or agent with whom the Corporation transacts business.

"Laws" means all applicable federal, state and local constitutions, statutes, ordinances, codes, rules, regulations and court and administrative decisions, determinations and orders.

"Lender" means U.S. Bank National Association, a national banking association, its successors, and except where the context requires otherwise, its assigns.

"Lien" means any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to property.

"2007 Lease Agreement" means the Lease Agreement, dated July 17, 2007, between the City and the Corporation, pursuant to which the Project has been leased to the Corporation.

"Lease Documents" means this Agreement, the Note, the Deed of Trust and the Tax Agreement.

"Lease Payments" means the Lease Payments payable by the Corporation pursuant to this Agreement, which shall be in the same amounts as the payments of the principal, premium, if any, and interest on the Note and shall be due at the same times as those payments.

"Money Market Rate At Prepayment" shall mean that zero-coupon rate, calculated on the date of prepayment, and determined solely by the Lender, as the rate in which the Lender would be able to borrow funds in Money Markets for the prepayment amount matching the maturity of a specific prospective Note payment or repricing date. Such a rate shall include FDIC insurance, reserve requirements and other explicit or implicit costs levied by any regulatory agency. A separate Money Market Rate at Prepayment will be calculated for each prospective interest and/or principal payment date.

"Money Markets" shall mean one or more wholesale funding mechanisms available to the Lender including negotiable certificates of deposit, eurodollar deposits, bank notes, fed funds, interest rate swaps, or others.

"Net Present Value" shall mean the amount which is derived by summing the present values of each prospective payment of principal and interest which, without such full or partial prepayment, could otherwise have been received by the Lender over the shorter of the remaining contractual life of the Loan or next repricing date if the Lender had instead initially invested the Loan proceeds at the Initial Money Market Rate. The individual discount rate used to present value each prospective payment of interest and/or principal shall be the Money Market Rate at Prepayment for the maturity matching that of each specific payment of principal and/or interest.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such proceeds.

"Note" means the City's Industrial Development Promissory Revenue Note (Nebraska School Activities Association Project) Series 2010, dated the date of delivery thereof, in the principal amount of $[Principal Amount], issued to provide for the payment and redemption of the 2007 Bond, in substantially the form set forth in **Exhibit D**.

"Note Proceeds" means the proceeds of the sale of the Note to the Lender.

"Permitted Encumbrances" means, as of any particular time,

(a) liens for ad valorem taxes and special assessments not then delinquent,

(b) the Lease Agreement,

(c) the Deed of Trust,

(d) utility, access and other easements and rights of way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, and

(e) such minor defects, irregularities, encumbrances, easements, mechanic's liens, rights of way and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Corporation.

"Person" means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a joint venture, a trust, or an unincorporated organization.

"Pledged Property" means the property described in the Deed of Trust and which is subject to the lien and security interest of the Deed of Trust.

"Project" means the Project described in the recitals hereof and in the Exhibits attached hereto, including the Project Site, the Project Improvements, the Project Equipment and any Project Additions, and all additions, modifications, improvements, replacements and substitutions made to the Project pursuant to this Agreement, as they may at any time exist.

"Project Additions" means all additions, improvements, extensions, alterations, expansions or modifications of the Project or any part thereof and additional items of machinery, equipment or personal property financed with the proceeds of Additional Notes issued pursuant to **Section 3.10** hereof.

"Project Equipment" means all items of machinery, equipment or other personal property acquired or installed or to be acquired for installation in the Project Improvements or elsewhere on the Project Site pursuant to this Agreement and paid for in whole or in part from the proceeds of the 2007 Bond, as described in **Exhibit C** attached hereto and by this reference made a part hereof, and all replacements thereof and substitutions therefor made pursuant to this Agreement.

"Project Improvements" means all buildings, structures, improvements and fixtures located on or to be purchased, constructed and otherwise improved on the Project Site pursuant to **Article IV** of this Agreement and paid for in whole or in part from the proceeds of the 2007 Bond, as described in **Exhibit B** attached hereto and by this reference made a part hereof, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease Agreement.

"Project Site" means all of the real estate described in **Exhibit A** attached hereto and by this reference made a part hereof.

"State" means the State of Nebraska.

"Tax Agreement" means the Tax Compliance Agreement, dated of even date herewith, between the Corporation and the City, as the same may be amended from time to time in accordance with its terms.

"Tax-Exempt Organization" means a nonprofit organization, organized under the laws of the United States of America or any state thereof, that is an organization described in Section 501(c)(3) of the Internal Revenue Code, is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, and is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code, or corresponding provisions of federal income tax laws from time to time in effect.

"UCC" means the Uniform Commercial Code as adopted and in effect in the State.

Section 1.02. Exhibits. The following exhibits are attached hereto and made a part hereof:

(a) **Exhibit A: Project Site**

(b) **Exhibit B: Project Improvements**

(c) **Exhibit C: Project Equipment**

(d) **Exhibit D: Form of Note**

(e) **Exhibit E: Form of Investor's Letter of Representation.**

Section 1.03. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in **Section 1.01**, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement. The words **"hereof," "herein," "hereunder"** and words of similar import refer to this Agreement as a whole.

(c) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions of this Agreement.

(d) Whenever an item or items are listed after the word **"including,"** such listing is not intended to be exhaustive.

ARTICLE II
LEASE OF THE PROJECT

Section 2.01. Granting of Leasehold Estate. The City hereby rents, leases and lets the Project to the Corporation, and the Corporation hereby rents, leases and hires the Project from the City, subject to Permitted Encumbrances, for the rentals and upon and subject to the terms and conditions herein contained.

Section 2.02. Term of Agreement.

(a) This Agreement shall become effective concurrently with the initial issuance and delivery of the Note, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Articles ___** and **____**hereof), shall have an initial term commencing as of the date of this Agreement and terminating on July __, 20___.

(b) The initial term hereof may be extended from time to time pursuant to an amendment to this Agreement entered into by the City, the Corporation and the Lender (in accordance with **Section ____**) in connection with the issuance of Additional Notes, but in no event shall the term hereof extend longer than the date the Note and any Additional Notes and all interest thereon have been paid in full or provision has been made for the payment thereof in accordance with the terms of this Agreement.

Section 2.03. Possession and Use of the Project. The City covenants and agrees that as long as the Corporation shall not be in default hereunder, the Corporation shall have sole and exclusive possession of the Project (subject to the City's and the Lender's right of access pursuant to **Section [9.2]** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project during the Lease Term. The City covenants and agrees that it will not take any action, other than pursuant to **Article [XII]** hereof, to prevent the Corporation from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request and expense of the Corporation, cooperate with the Corporation in order that the Corporation may have quiet and peaceable possession and enjoyment of the Project and will defend the Corporation enjoyment and possession thereof against all parties.

ARTICLE III
THE NOTE, TERMS OF LOAN AND FINANCING OF THE PROJECT

Section 3.01. Issuance of the Note.

(a) The City shall issue the Note in the amount of $[Principal Amount] to obtain money to provide for the payment and redemption of the 2007 Bond to the Project. The Note shall be designated as set forth in **Exhibit D**. The Note shall be dated as of the Closing Date and shall mature (subject to prepayment as provided herein and in the Note) in installments as set forth in the Note and **Exhibit D**.

(b) The purchase price to be paid for the issuance of the Note shall be an amount equal to the principal amount of the Note. The Note Proceeds shall be used to pay the principal of, premium if any, and interest on the 2007 Bond and to pay certain costs of issuance of the Note.

Section 3.02. Interest. Prior to default, the principal amount of the Note outstanding from time to time shall bear interest (computed on the basis of a 360-day year and actual days elapsed) at the rate of _____% per annum. Interest accruing on the principal balance of the Note outstanding from time to time shall be payable as provided in **Exhibit D** and upon earlier demand in accordance with this Agreement or as provided in **Section 3.07**. After maturity, whether by lapse of time, default, acceleration or otherwise, interest shall accrue at the rate of _____% per annum.

Section 3.03. Payments. The City shall pay the principal or redemption price of and interest on the Note, but only out of the amounts paid to the City by the Corporation pursuant to this Agreement. The Corporation shall pay to the Lender, as assignee of the City, the Lease Payments, in the amounts and on the dates set forth in **Exhibit D**. All amounts payable hereunder by the Corporation shall be paid in lawful money of the United States of America in immediately available funds. As security for its

obligation to pay the principal of, premium, if any, and interest on the Note, the City assigns to the Lender all of the City's right to receive the Lease Payments hereunder, all of the City's other rights under the Lease Documents (except for the right to receive any Additional Payments and any other fees and expenses to the extent payable to the City, any rights of the City to indemnification and rights of notice, inspection and consent), and the City appoints the Lender and any officer or agent of the Lender to collect the Lease Payments and any other payments due to the Lender (other than payments described in the foregoing parenthetical), as the City's assignee, under any Lease Document and to sue in any court for such Lease Payments or other payments and to exercise all rights under the Lease Documents with respect to the Project and to withdraw or settle any claims, suits or proceedings pertaining thereto. The Lease Payments and any other payments shall be made by the Corporation directly to the Lender, as the City's assignee, and shall be credited against the City's payment obligations under the Note and this Agreement.

Section 3.04. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day that is a Saturday or Sunday or a day on which banks are generally not open for business in the State, that payment may be made on the next succeeding day that is not a Saturday or Sunday or that is a day on which banks are generally open for business in the State, and such extension of time shall in such case be included in the computation of interest or the fees hereunder, as the case may be.

Section 3.05. Lease Payments Unconditional. The obligations of the Corporation to make the Lease Payments and the Additional Payments and to make any other payments hereunder, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason. Notwithstanding any dispute between the Corporation and any of the City, the Lender or any other Person, the Corporation shall make all Lease Payments when due and shall not withhold any Lease Payments pending final resolution of the dispute, nor shall the Corporation assert any right of set-off or counterclaim against its obligation to make the Lease Payments.

Section 3.06. Prepayments. The Note may be prepaid by the Corporation upon request to the Lender. The Lender shall not unreasonably withhold consent with respect to prepayment. The Corporation acknowledges that in the event that such consent is granted, the Corporation shall be required to pay the Lender, upon prepayment of all or part of the principal amount before final maturity, a Prepayment Fee equal to the maximum of: (a) zero, or (b) that amount, calculated on any prepayment date, which is derived by subtracting: (1) the principal amount of the Loan or portion of the Loan to be prepaid from (2) the Net Present Value of the Note or portion of the Note to be prepaid on such date of prepayment.

In calculating the amount of such a prepayment fee, the Lender is hereby authorized by the Corporation to make such assumptions regarding the source of funding, redeployment of funds and other related matters, as the Lender may deem appropriate. If the Corporation fails to pay any Prepayment Fee when due, the amount of such Prepayment Fee shall thereafter bear interest until paid at the default rate specified in the Loan (computed on the basis of a 360-day year, actual days elapsed). Any prepayment of principal shall be accompanied by a payment of interest accrued to date thereon; and said prepayment shall be applied to the principal installments in the inverse order of their maturities. All prepayments shall be in an amount of at least $100,000 or if less, the remaining entire principal amount of the Loan.

Section 3.07. Special Obligation. The Note shall not constitute a debt or liability of the State or any public agency or a pledge of the faith and credit of the State or any political subdivision thereof, including any official or employee of the City, but shall be payable solely from the funds provided therefor pursuant to this Agreement. The Note is a special, limited obligation of the City, and the City shall under no circumstances be obligated to make payments of the principal of, premium, if any, and

interest on the Note except from the Lease Payments received from the Corporation and the Note Proceeds.

Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note, nor is the State or any political subdivision thereof, including any official or employee of the City, in any manner obligated to make any appropriation for that purpose.

No provision, covenant or agreement contained in this Agreement or any obligation herein imposed on the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability, a charge upon its general credit or a pledge of its general revenues. In making the agreements, provisions and covenants set forth in this Agreement, the City has not obligated itself except with respect to the application of the Lease Payments to be paid by the Corporation. No recourse shall be had by the Lender or the Corporation for any claim based upon this Agreement or the Tax Agreement against any officer, employee or agent of the City alleging personal liability on the part of that person, unless the claim is based on the willful dishonesty of or intentional violation of Law by that person.

Section 3.08. Additional Payments. The Corporation will pay to the City, the Lender or other party, as appropriate, as **"Additional Payments"** any amounts incurred by the Lender or the City after the Closing Date in payment of reasonable costs and expenses in connection with the performance or enforcement of the Lease Documents and the refunding of the 2007 Bond, including (a) application, commitment or financing fees, if any; (b) indemnification payments pursuant to **Sections 6.03** and **6.07**; (c) all taxes and assessments of any type or character charged to the City or the Lender affecting the amount available to the City from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any pubic agency or governmental authority of whatsoever character having power to levy taxes or assessments), but excluding franchise taxes based upon the capital or income of the City or the Lender and taxes based upon or measured by the net income of the City or the Lender; provided that the Corporation shall have the right to protest and contest any such taxes or assessments and to require the City or the Lender, at the Corporation's expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless that withholding, protest or contest would adversely affect the rights or interests of the Lender or the City; (d) the fees and expenses of any accountants, consultants, attorneys and other experts that may be engaged by the City or the Lender to prepare audits, financial statements, reports or opinions or to provide such other services required under this Agreement, the Tax Agreement or the Deed of Trust, or otherwise in connection with the Note; (e) insurance premiums required to be paid hereunder or under the Deed of Trust; (f) any rebate payments payable to the United States of America or other payments payable pursuant to the Tax Agreement; (g) all other reasonable, direct and necessary administrative costs of the Lender or the City and other charges required to be paid in order to comply with, or to enforce its rights under, the Lease Documents; (h) any additional funds necessary to pay costs pursuant to **Section 6.05**; and (i) any other payments required to be made by the Corporation under this Agreement, the Deed of Trust or the Tax Agreement. Such Additional Payments shall be billed to the Corporation by the Lender or the City, as the case may be, from time to time, together with a statement certifying that the amount so billed has been paid for one or more of the items described, or that it is then payable for those items. Amounts so billed shall be due and payable by the Corporation within thirty (30) days after receipt of the bill by the Corporation.

Section 3.09. Mortgage, Pledge and Assignment Under the Deed of Trust. To secure the performance of the duties and obligations of the Corporation under the Note and this Agreement, the Corporation, pursuant to the Deed of Trust, has granted to the Lender and the Lender, and their successors

and assigns, a first mortgage lien on, and security interest in, certain real and personal property of the Corporation, more particularly described in the Deed of Trust.

The Corporation shall take all necessary action to maintain and preserve the security granted by the Deed of Trust so long as the Note is outstanding. The Corporation shall cause the Deed of Trust and any financing statements in respect thereof to be promptly filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such mortgage lien, security interest and assignment and to preserve and protect the rights of the holders of the Note, the City and the Lender, and from time to time will perform or cause to be performed any other act as provided by law, and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Lender or the City for such perfection and protection.

Notwithstanding the provisions and protections of the Deed of Trust, it is understood and agreed that so long as the Corporation makes when due and payable all Lease Payments, the Corporation shall be entitled to utilize the Project for its proper corporate purposes.

Section 3.10. Additional Notes.

(a) The City may in its discretion authorize the issuance of Additional Notes from time to time upon the terms and conditions and for the purposes specified in **Section 3.10(b)**. If the Corporation is not in default hereunder, with the written consent of the Lender, the City will, at the request of the Corporation, from time to time, use its best efforts to issue the amount of Additional Notes specified by the Corporation; provided that the Corporation, the City and the Lender shall have entered into an amendment to this Agreement to extend the term of this Agreement to coincide with the date of final maturity of such Additional Note, and to provide for additional Lease Payments in an amount at least sufficient to pay principal or redemption price of and interest on the Additional Note when due. The terms and provisions of any Additional Note shall be set forth in the Supplemental Agreement authorizing such Additional Note.

(b) Additional Notes may be issued under and be equally and ratably secured hereby on a parity with the Note and any other Additional Notes outstanding, at any time and from time to time, with the written consent of the Corporation and the Lender upon compliance with the conditions provided in this **Section 3.10**, for any of the following purposes:

(1) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof; provided, however, that Additional Notes may be issued to pay the costs thereof only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to **Section 8.01**.

(2) To provide funds to pay all or any part of the costs of purchase, construction and installation of Project Additions as the Corporation may deem necessary or desirable provided that such improvements will not impair the nature of the Project as a “project” within the meaning and purposes of the Act.

(3) To provide funds for the purpose of refunding all or part of any Note then Outstanding, including the payment of the redemption price thereof and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

(c) Before any Additional Note shall be issued under the provisions of this **Section 3.10**, the City shall adopt an ordinance (1) authorizing the issuance of such Additional Notes, fixing the amount and

terms thereof and describing the purpose or purposes for which such Additional Notes are being issued or describing the Note to be refunded, (2) authorizing the City to enter into an amendment to this Agreement to provide for Lease Payments at least sufficient to pay the principal or redemption price of and interest on the Notes then to be outstanding (including the Additional Notes to be issued) as the same become due, for the purchase, construction and installation of the Project Additions, for the inclusion of any such Project Additions as a part of the Project, and for such other matters as are appropriate because of the issuance of the Additional Notes proposed to be issued which, in the judgment of the City, are not to the prejudice of the City or the Lender.

(d) Such Additional Notes shall have the same designation as the Bond, except for an identifying series letter or date and the addition of the word "Refunding" when applicable, shall be dated, shall be stated to mature on such dates, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices, all as may be provided by the Supplemental Agreement authorizing the issuance of such Additional Notes. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Notes shall be on a parity with and shall be entitled to the same benefit and security hereof as the Note and any other Additional Notes the outstanding after the issuance of such Additional Notes.

(e) Prior to or simultaneously with the delivery of such Additional Notes by the City, there shall be filed with the Lender the following:

(1) An original or certified copy of the ordinance passed by the Council and approved by the Mayor authorizing the issuance of such Additional Notes and the execution of such amendment to this Agreement.

(2) An original executed counterpart of the amendment to this Agreement and the original new Note, if required.

(3) An opinion of Bond Counsel to the effect that the issuance of such Additional Notes will not result in the interest on any Note then outstanding becoming includable in gross income for Federal income tax purposes.

(4) In the case of Additional Notes being issued to refund outstanding notes, such additional documents as shall be reasonably required by the Lender to evidence that provision has been duly made in accordance with the provisions hereof for the payment of all of the notes to be refunded.

(5) Such other certificates, statements, receipts and documents as the Lender shall reasonably require for the delivery of such Additional Notes.

(f) When the documents specified in **Section 3.10(e)** shall have been filed with the Lender, and when such Additional Notes shall have been executed as required hereby, the City shall deliver such Additional Notes to or upon the order of the purchasers thereof, but only upon payment to the City for the account of the Corporation, of the purchase price of such Additional Notes. The proceeds of the sale of such Additional Notes, except Additional Notes issued to refund outstanding notes, including accrued interest and premium thereon, if any, shall be immediately applied as provided in the amendment to this Agreement Indenture authorizing the issuance of such Additional Notes.

(g) Except as provided in this **Section 3.10**, the City will not otherwise issue any obligations on a parity with the Note, but the City may, with the express written consent of the Corporation and the Lender, issue other obligations specifically subordinate and junior to the Note.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations of the City

(a) ***Organization and Authority***. The City (1) is city of the primary class and political subdivision duly organized and validly existing under the laws of the State, and (2) has lawful power and authority pursuant to the Act to issue the Note for the purposes set forth herein and to enter into, execute and deliver the Lease Documents and to carry out its obligations thereunder, and (3) by all necessary corporate action has been duly authorized to execute and deliver the Lease Documents and any other documents required to be executed and delivered by it in connection with the issuance of the Note, acting by and through its duly authorized officers.

(b) ***No Defaults or Violations of Law***. The execution and delivery of the Lease Documents Agreement by the City will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the City is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the City or its property.

(c) ***Absence of Litigation***. No litigation, proceedings or investigations are pending or, to the knowledge of the City, threatened against the City at law or in equity before any court, tribunal, governmental authority or arbitration board seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Lease Documents, or which challenges the existence or powers of the City to enter into and carry out the transactions contemplated by the Lease Documents, or wherein an unfavorable determination could materially and adversely affect the validity or enforceability of the Note or the Lease Documents or its ability to perform its obligations thereunder.

(d) ***Project Qualification***. The Project constitutes a "project" within the meaning of the Act, and the purchase and construction of the Project and the lease of the Project for the purposes herein specified will further the public purposes of the Act.

(e) ***No Financial Interest***. Neither the Mayor nor any member of the Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Corporation, the Project or in the transactions contemplated hereby.

(f) ***Warranty of Title***. The City has good and marketable title to the Project Site, free and clear of all mortgages, liens, security interests, charges and encumbrances except Permitted Encumbrances, and there exists no mortgage, lien, security interest, charge or encumbrance (including, without limitation, any mechanic's lien or judgment lien) on the Project Site that has or will have a material adverse effect upon the performance of the City's obligations under this Agreement. The City has, pursuant to the Deed of Trust, conveyed to the Deed Trustee a valid mortgage lien on the Real Property (described in the Deed of Trust), the City is lawfully possessed of all of such property and is the owner thereof free and clear of all mortgages, liens, security interests, charges or encumbrances whatever except the Permitted Encumbrances and the interest of the Lender and the Corporation under this Agreement; and the City has full power and authority to mortgage the Real Property to the Deed Trustee.

(g) ***Environmental Laws***. The City is, in all material respects, in compliance with all federal, state and local environmental laws, ordinances, regulations and rulings (collectively, **"Environmental Laws"**) relating to the Project Site; the City has received no notice of any alleged violation of any

Environmental Laws with respect to the Project Site; and the Corporation will continue to comply, with respect to the Project Site and in all material respects, with all Environmental Laws.

Section 4.02. Representations by the Corporation. The Corporation represents to the City and the Trustee that:

(a) ***Organization, Tax-Exempt Status and Authority***. The Corporation (1) is a private nonprofit corporation duly organized and validly existing under the laws of the State not operated for private or corporate profit, (2) is authorized by law to lease and operate the Project in the State, (3) is a Tax-Exempt Organization, (4) has not declared and has not been determined to have any "unrelated business taxable income" as defined in Section 512 of the Internal Revenue Code which could have a material adverse effect on its status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, could have a material adverse effect on the condition, financial or otherwise, of the Corporation, (5) has lawful power and authority to enter into, execute and deliver the Lease Documents required to be executed and delivered by it in connection with the issuance of the Note and to perform its obligations hereunder and thereunder, and (6) by all necessary corporate action has been duly authorized to execute and deliver the Lease Documents, acting by and through its duly authorized officers.

(b) ***No Defaults or Violations of Law***. The execution and delivery of the Lease Documents by the Corporation will not conflict with or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or its articles of incorporation, bylaws, or any of the rules or regulations of any court or other governmental body applicable to the Corporation or its property.

(c) ***Absence of Litigation***. No litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation at law or in equity before any court, tribunal, governmental authority or arbitration board seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Note or any other Lease Documents to which the Corporation is a party, or which challenges the existence or powers of the Corporation to enter into and carry out the transactions contemplated by the Lease Documents to which it is a party, or in which an unfavorable determination could materially and adversely affect the validity or enforceability of the Note or the Lease Documents to which the Corporation is a party or its ability to perform its obligations thereunder.

(d) ***Licenses, Permits and Approvals***. The Corporation is duly authorized and has all necessary licenses and permits to occupy and operate its facilities under the laws and regulations of the State and the departments, agencies and political subdivisions thereof, and the Corporation has obtained all requisite approvals of federal, state and local governmental bodies necessary for the acquisition, construction, equipping, and operation of the Project. The Corporation's facilities are in all material respects in compliance with all applicable federal, state and local zoning, subdivision, environmental, pollution control and other laws and regulations.

(e) ***Pending Litigation***. Except as disclosed to the Lender, no litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation, except litigation involving claims, the probable recoveries in which and the estimated costs and expenses of defense of which, based upon the advice of counsel to the Corporation, (1) will be entirely within the Corporation's applicable insurance policy limits (subject to applicable deductibles) or (2) if adversely determined, will not materially and adversely affect the financial condition or operations of the Corporation. In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Note any other Lease Documents by the City or by the Corporation, or which would in

any manner challenge or adversely affect the corporate existence or powers of the Corporation to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Corporation of the terms and provisions of the Lease Documents to which it is a party.

(f) ***Financial Statements and Other Information***. The audited financial statements of the Corporation provided to the Lender relating to the Note correctly and fairly present the financial condition of the Corporation as of the dates and for the periods stated therein, and the results of the operations of the Corporation for each of such periods, respectively, all in accordance with generally accepted accounting principles except as stated in the notes thereto, and there has been no material adverse change in the financial condition of the Corporation from that set forth in said financial statements, except as may be disclosed in the Official Statement. The financial statements and other information of the Corporation provided to the Lender do not, nor do the representations and warranties of the Corporation in the Lease Documents to which the Corporation is a party or any written statement furnished by the Corporation to the City and the Lender, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact which the Corporation has not disclosed to the City and the Lender in writing which materially affects adversely or, so far as the Corporation can now foresee, will materially affect adversely the financial condition or operations of the Corporation, its status as a Tax-Exempt Organization, its ability to own and operate its properties or its ability to make the payments under this Agreement when and as the same become due and payable.

(g) ***Employee Pension Benefit Plans***. The Corporation has not engaged in, and the consummation of the transactions provided for in this Agreement and compliance by the Corporation with the provisions of this Agreement will not involve, any prohibited transactions within the meaning of the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), or Section 4975 of the Internal Revenue Code. No "employee pension benefit plans," as defined in ERISA, maintained by the Corporation, nor any trusts created thereunder, have incurred, at the end of any plan year, an "accumulated funding deficiency" as defined in Section 302 of ERISA nor does the present value of all benefits vested under all such plans exceed, as of December 31, 2009 (the last annual valuation date), the value of the assets of such plans allocable to such vested benefits.

(h) ***Warranty of Title***. The Corporation has good and marketable title to all of its property, free and clear of all mortgages, liens, security interests, charges and encumbrances except Permitted Encumbrances, and there exists no mortgage, lien, security interest, charge or encumbrance (including, without limitation, any mechanic's lien or judgment lien) on such Property that has or will have a material adverse effect upon the Corporation's operations or the performance of the Corporation's obligations under this Lease Agreement. The Corporation has, pursuant to the Deed of Trust, conveyed to the Deed Trustee a valid mortgage lien on the Real Property (described in the Deed of Trust), and has granted to the Deed Trustee a valid security interest in the Personal Property (described in the Deed of Trust), the Corporation is lawfully possessed of all of such property and is entitled to use such property free and clear of all mortgages, liens, security interests, charges or encumbrances whatever except the Permitted Encumbrances and the interest of the Trustee, the Registered Owner and the City under the Indenture; and the Corporation has full power and authority to mortgage the Real Property and to grant a security interest in the Personal Property to the Deed Trustee.

(i) ***Environmental Laws***. The Corporation is, in all material respects, in compliance with all federal, state and local environmental laws, ordinances, regulations and rulings (collectively, **"Environmental Laws"**); the Corporation has received no notice of any alleged violation of any Environmental Laws; and the Corporation will continue to comply, in all material respects, with all Environmental Laws.

Section 4.03. Representations and Warranties of Lender. The Lender represents and warrants for the benefit of the City and the Corporation, as follows:

(a) The Lender is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, is duly authorized to do business in the State, has power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of this Agreement.

(b) This Agreement constitutes a valid and legally binding obligation of the Lender, enforceable against the Lender in accordance with its terms, except to the extent limited by bankruptcy, reorganization or other Laws of general application relating to and affecting the enforcement of creditors' rights.

(c) The execution and delivery of this Agreement by the Lender, the Lender's consummation of the transactions contemplated hereby and the Lender's fulfillment of the terms and conditions hereof do not and will not violate any Law applicable to the Lender, conflict with or result in a breach of any of the terms or conditions of the articles of incorporation or bylaws of the Lender or of any corporate restriction or of any agreement or instrument to which the Lender is now a party and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any Lien upon any of the property or assets of the Lender contrary to the terms of any instrument or agreement.

(d) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of the Lender's knowledge, threatened against or affecting the Lender, challenging the Lender's authority to enter into this Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any other transaction of the Lender that is similar hereto, or the exclusion of the interest on the Note from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement.

(e) The Lender has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment in the Note, and is able to bear the economic risk of that investment. The Lender has made its own inquiry and analysis with respect to the Corporation, the City, this Agreement, the Note and the Lease Payments and the security therefor, and other material factors affecting the security and payment of the principal of, premium, if any, and interest on the Note and the Lease Payments.

(f) The Lender has either been supplied with or has had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation, the City, this Agreement, the Note and the Lease Payments and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and invest in the Note.

(g) The Lender acknowledges that the Note (1) is not being registered or otherwise qualified for sale under the "Blue Sky" Laws of any state, (2) will not be listed on any stock or other securities exchange and (3) will be issued in a form that may not be readily marketable.

(h) The Lender acknowledges that the Note has not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Lender represents to the City

that it is purchasing the Note for investment for its own account and not with a present view toward resale or the distribution thereof.

ARTICLE V
REFINANCING THE PROJECT; REMOVALS, ADDITIONS, MODIFICATIONS AND IMPROVEMENTS TO THE PROJECT

Section 5.01. Refunding of the 2007 Bond. The Corporation, utilizing the proceeds of the Note and such other funds as are necessary, will cause the 2007 Bond to be refunded on the Closing Date.

Section 5.02. Release of Certain Land from this Lease Agreement and the Deed of Trust. Notwithstanding any other provision hereof, the parties hereto reserve the right at any time and from time to time upon mutual consent and consent of the Lender to amend this Agreement for the purpose of effecting the release of and removal from this Agreement and the leasehold estate created hereby and the Deed of Trust of any unimproved part or parts of the real estate subject thereto (on which neither any Project Improvements nor any Project Equipment are situated); provided, that if at the time any such amendment is made a part of the Note is outstanding and unpaid there shall be deposited with the Lender the following:

(a) A copy of such amendment as executed and the amendment to the Deed of Trust;

(b) A resolution of the Board of Directors of the Corporation (1) stating that the Corporation is not in default under any of the provisions of this Agreement, (2) giving an adequate legal description of that portion (together with the interest in such portion) of the property to be released, (3) stating the purpose for which the parties hereto desire the release, and (4) requesting such release;

(c) A resolution of the governing body of the City approving such amendment to this Agreement and stating that the City is not in default under any of the provisions of this Agreement;

(d) A certificate of the Corporation Representative, dated not more than 60 days prior to the date of the release and stating that (1) the portion of the Project Site so proposed to be released is not needed for the operation of the Project for its intended purposes, and (2) the release so proposed to be made will not impair the usefulness of the Project for its intended purposes and will not destroy the means of ingress thereto and egress therefrom; and

(e) A sum equal to the appraised value of such land as determined by an appraisal made by an appraiser who is a member of the American Institute of Real Estate Appraisers, or such lesser amount as shall be approved by the Owner of the Bond, which amount shall be deposited by the Trustee in the Debt Service Fund and shall be used for the redemption of the Bond on the earliest possible redemption date or to pay principal of the Bond as the same becomes due and payable.

If all of the conditions of this **Section 5.02** are met, the City shall be authorized to release any such property from this Agreement and the Deed of Trust. No release effected under the provision of this **Section 5.02** shall, except to the extent provided in **Section 5.02(e)** hereof, entitle the Corporation to any abatement or diminution of the Lease Payments payable hereunder, nor shall any such release in any other way whatsoever affect this Agreement or the Deed of Trust with respect to the remaining parts of the Project, and all the terms and provisions of this Agreement and the Deed of Trust shall remain in full force and effect with respect to the remaining part of the Project as though no such release had been effected.

Section 5.03. Removal of Project Equipment. The Corporation shall have the right, provided the Corporation is not in default in making Lease Payments or Additional Payments hereunder, to remove from the Project and on behalf of the City, sell, exchange or otherwise dispose of, without responsibility or accountability to the City or the Lender with respect thereto, any items of equipment which constitute a part of the Project Equipment and which have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary or which, in the sound discretion of the Corporation, are otherwise no longer useful to the Corporation in its operations conducted on or in the Project; provided that, if the aggregate value of Project Equipment sold, exchanged or disposed in any fiscal year (on a noncumulative basis) exceeds $100,000, then with respect to the proposed removal in each fiscal year of such items of Project Equipment that originally cost $25,000 or more, the Corporation shall either:

(a) If Project Equipment is to be removed or otherwise disposed of, but not replaced, then prior to any such removal, deliver to the Trustee a certificate signed by the Corporation Representative (1) containing a complete description of any equipment constituting a part of the Project Equipment which the Corporation proposes to remove from the Project, (2) stating the reason for such removal, (3) stating what disposition of the equipment is to be made by the Corporation after such removal and the names of the party or parties to whom such disposition is to be made and the consideration, if any, to be received by the Corporation therefor, and (4) setting forth the proposed sale price (or trade in credit to be received) and the fair market value (original cost of such equipment less depreciation at rates calculated in accordance with generally accepted accounting principles) of such equipment; and pay to the Trustee for deposit in the Debt Service Fund the greater of (1) the proceeds from the sale of such equipment (or trade in credit received therefor) or (2) the fair market value of such equipment as set forth in said certificate; or

(b) Promptly replace any such Project Equipment so removed with equipment of the same or a different kind but with a value equal to or greater than the fair market value of the Project Equipment so removed, and such equipment shall be deemed a part of the Project Equipment; provided, however, that prior to any such replacement, the Corporation shall deliver to the Trustee a certificate signed by the Corporation Representative (1) setting forth a complete description of the equipment which the Corporation has acquired to replace the Project Equipment so removed by the Corporation, (2) stating the cost thereof, and (3) stating that the equipment described in such certificate are fully paid for and have been installed in the Project.

Upon receipt of such certificate, the Lender shall amend the list of Project Equipment maintained by it. All equipment which shall replace Project Equipment removed from the Project by the Corporation pursuant to this **Section 5.03(b)** shall become and be deemed a part of the Project.

In all cases, the Corporation shall pay all of the costs and expenses of any such removal and shall immediately repair at its expense all damage to the Project caused thereby. The Corporation's rights under this **Section 5.03** to remove from the Project equipment constituting a part of the Project Equipment is intended only to permit the Corporation to maintain an efficient operation by the removal of equipment which is no longer suitable to the Corporation's use of the Project for any of the reasons set forth in this **Section 5.03**, and such right is not to be construed to permit a removal under any other circumstances and specifically is not to be construed to permit the Corporation to make a wholesale removal of the Project Equipment.

Section 5.04. Additions, Modifications and Improvements to the Project. The Corporation shall have and is hereby given the right, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Project as the Corporation from time to time may deem necessary or desirable for its business purposes; provided, however, the Corporation shall not make any

additions, modifications or improvements which will adversely affect the operation of the Project or substantially reduce its value, or which will impair the character of the Project as a "project" within the meaning of the Act. All additions, modifications and improvements made by the Corporation pursuant to the authority of this **Section 5.04** shall (a) be made in workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Project; provided, however, that additions of equipment installed in the Project by the Corporation and not purchased or acquired from funds deposited with the Trustee hereunder and not constituting repairs, renewals or replacements of Project Equipment under **Section 5.03** hereof shall remain the property of the Corporation and may be removed by the Corporation at any time.

Section 5.05. Additional Improvements on the Project Site. The Corporation shall have and is hereby given the right, at its sole cost and expense, to construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Corporation from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Corporation pursuant to the authority of this **Section 5.04** shall, during the life of this Lease Agreement, be the property of the City. The Corporation may add to, alter or raze and remove the same at any time subject to any conditions imposed by the Sublease, the Deed of Trust or by the Deed Trustee in its exercise of any duty, right or power thereunder. The Corporation covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of, addition to, alteration or removal of such additional buildings or improvements, (b) to keep and maintain such additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Project Site in a good workmanlike manner, or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty.

Section 5.06. Permits and Authorizations. The Corporation shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification, improvement or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured and payment therefor made. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of **Section 6.08** hereof.

Section 5.07. Mechanics' and Materialmen's Liens.

(a) Neither the City nor the Corporation shall do or suffer anything to be done whereby the Project, or any part thereof, may be encumbered by any mechanics' or materialmen's or other similar lien. Whenever and as often as any mechanics' or materialmen's or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Corporation shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the City shall not be liable for any labor or materials furnished to the Corporation or to anyone claiming by, through or under the Corporation upon credit, and that no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) The Corporation, notwithstanding **Section 5.07(a)** hereof, shall have the right to contest any such mechanics' or materialmen's or other similar lien if and provided that the Corporation (1) within such 60 day period stated above notifies the City and the Trustee in writing of the Corporation's intention to do so, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or

judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (5) thereafter promptly procures record release or satisfaction thereof. The Corporation shall hold the City whole and harmless from any loss, costs or expenses the City may incur in relation to any such contest. The City will cooperate fully with the Corporation in any such contest.

Section 5.08. Use of the Project. The Corporation shall not use, operate or maintain the Project improperly, carelessly, in violation of any applicable Laws or in a manner contrary to that contemplated by this Agreement and the Tax Compliance Agreement.

ARTICLE VI
AFFIRMATIVE COVENANTS OF LESSEE

The Corporation will comply with the following requirements, unless the Lender shall otherwise consent in writing:

Section 6.01. Corporate Existence and Tax-Exempt Status. Except as otherwise expressly provided in this Agreement, the Corporation shall (a) preserve and keep in full force and effect its corporate or other separate legal existence, (b) remain qualified to do business and conduct its affairs in each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification, and (c) maintain its status as a Tax-Exempt Organization and (d) operation the Project as a "project" under the Act.

Section 6.02. Maintenance and Use of Property. The Corporation shall cause all of its property used or useful in the conduct of its business and operations to be maintained, preserved and kept in good repair and working order and condition and in as safe condition as its operations will permit and shall make all repairs, renewals, replacements and improvements thereof necessary for the efficient conduct of its business and operations, and shall, during the term of the Note, operate the Project as a "project" within the meaning of the Act. Nothing in this Section shall obligate the Corporation to preserve, repair, renew or replace any Property no longer used or no longer useful in the conduct of its business, or prevent the Corporation from discontinuing the operation of any of its Property or from removing or demolishing any building or buildings, if in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its governing board) such discontinuance is desirable in the conduct of its business. The Corporation may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with the provisions of this Agreement and will not result in a violation of the provisions of this Agreement, and the Corporation may dispose of any property as permitted by this Agreement.

Subject to the provisions of this Article, the Corporation shall have the right to use the Project for any purpose allowed by law and contemplated by the Act. Except as provided in this Agreement, the City reserves no power or authority with respect to the operation of the Project by the Corporation and activities incident thereto, it being the intention of the parties to this Agreement that so long as the Corporation shall duly and faithfully observe and perform all of the terms, covenants, provisions and agreements of this Agreement, the Corporation shall manage, administer and govern the Project in its activities and affairs on a continuing day-to-day basis.

The Corporation agrees that it will not use or permit the use of any of the properties financed or refinanced, or for which it is reimbursed, in whole or in part, out of the proceeds of the Note (a) for sectarian instruction or study or as a place of religious worship or in connection with any part of a program of a school or department of divinity of or for any religious denomination or for the training of ministers, priests, rabbis or other similar persons in the field of religion, or (b) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the Nebraska and the decisions of the Nebraska Supreme Court interpreting the same.

Section 6.03. Compliance With Laws and Regulations. The Corporation shall conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States of America and the several states thereof and observe and conform to all valid orders, regulations or requirements of any governmental authority applicable to the conduct of its business and operations and the ownership of the Facilities, including without limitation environmental laws, orders or regulations; provided, however, that nothing contained in this Agreement shall require the Corporation to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof shall be contested by the Corporation in good faith by appropriate proceedings, provided that the Corporation shall have set aside on its books adequate reserves with respect to such contest and such contest shall not materially impair the ability of the Corporation to meet its obligations under this Agreement.

Section 6.04. Payment of Taxes and Other Charges. The Corporation shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Corporation or the Project or any part thereof or upon any income therefrom; provided, however, that the Corporation shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Corporation shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 6.05. Liens and Encumbrances. The Corporation shall not create or incur or permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Pledged Property except Permitted Encumbrances, and shall promptly discharge or terminate all mortgages, liens, security interests, charges and encumbrances on the Pledged Property that are not Permitted Encumbrances. The Corporation shall comply with all terms, covenants and provisions contained in any lien or security interest existing upon the Project or any part thereof or securing any of its indebtedness unless the validity, amount or collectability thereof is being contested in good faith or the failure to comply or contest would not materially impair its ability to pay its Indebtedness when due nor subject a material amount of the Project to loss or forfeiture.

Section 6.06. Licenses and Permits. The Corporation shall procure and maintain all licenses, permits and accreditations necessary or desirable in the operation of its business, programs and facilities; provided, however, that the Corporation shall not be required to procure or maintain in effect any permit, license or accreditation that the governing board of the Corporation determines in good faith, is not in the best interests of the Corporation, is no longer necessary or desirable in the conduct of its business and the lack of which will not materially impair the ability of the Corporation to perform its obligations under this Agreement.

Section 6.07. Indemnity. The Corporation shall pay and indemnify and save the City and the Lender and their respective members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense (including, without limitation, reasonable attorneys fees and expenses) arising out of the issuance of the Note and the execution of this Agreement and the other Lease Documents, including, but not limited to, claims for loss or damage to any property or injury to or death of any person, asserted by or on behalf of any person, firm, corporation or governmental authority arising out of or in any way connected with the Project, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Project. The Corporation shall also pay and indemnify and save the City and the Lender and their respective members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them in any action or proceeding brought by reason of any such claim, demand, expense, penalty, fine or tax. If any action or proceeding is brought against the City or the Lender or their respective members, directors, officers, employees or agents by reason of any such claim or demand, the Corporation, upon notice from the City or the Lender, covenants to resist and defend such action or proceeding on demand of the City or the Lender or their respective members, directors, officers, employees or agents. If the Corporation fails to employ counsel or such counsel shall fail to actively defend such actions or protect the City or the Lender, or both, the City and the Lender may employ counsel at the expense of the Corporation to defend such action. Notwithstanding the foregoing, neither the City nor the Lender nor their respective members, directors, officers, employees and agents shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by their own negligent, willful and malicious acts or omissions or negligent, willful and malicious acts or omissions of their own members, directors, officers, employees or agents. The Corporation shall also pay and indemnify the City and the Lender from and against, all fees, costs, expenses and charges, including reasonable counsel fees and expenses, incurred after default of the Corporation in enforcing any covenant or agreement of the Corporation contained in this Agreement or the other Lease Documents.

Section 6.08. Insurance.

(a) ***Title Insurance***. On or prior to the date of issuance and delivery of the Note by the City, the Corporation will deliver to the Lender, from a company duly qualified to issue such insurance in the State and satisfactory to the Lender, American Land Title Association owner's policies of title insurance, each such policy to be at least in the amount of $[Principal Amount]. Such policy shall provide for mechanics' and materialmen's lien coverage, access and zoning coverage and deletion of the survey exception. The Corporation shall deliver copies of such policies or commitments to the Lender on or before the date of issuance of the Note. The Net Proceeds of such policies shall be applied in accordance with the provisions of **Article [VIII]** hereof.

(b) ***Casualty Insurance***. The Corporation shall at its sole cost and expense obtain and shall maintain throughout the Lease Term, a policy or policies of insurance to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible clauses not to exceed $_____). The Full Insurable Value of the Project shall be determined from time to time at the request of the City, the Corporation or the Lender (but not more frequently than once in every three years) by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected, subject to the Lender's approval, and paid by the Corporation. The insurance required pursuant to this **Section 6.08** shall be maintained at the Corporation's sole cost and expense, and shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State as may be selected by the Corporation. Copies of the insurance policies required under this **Section 6.08**, or originals or certificates

thereof, each bearing notations evidencing payment of the premiums or other evidence of such payment, shall be delivered by the Corporation to the Trustee. All such policies of insurance pursuant to this **Section 6.08**, and all renewals thereof, shall name the City, the Corporation and the Lender as insureds as their respective interests may appear, and shall contain a provision that such insurance may not be cancelled by the issuer thereof without at least 15 days' advance written notice to the City, the Corporation and Lender, and shall be payable to the Lender. In the event of loss or damage to the Project, the Net Proceeds of casualty insurance carried pursuant to this Section shall be paid to the Lender and shall be applied as provided in **Section [8.1]** hereof.

(c) ***Public Liability Insurance***. The Corporation shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term general accident and public liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the City, the Corporation and the Lender shall be named as insureds, properly protecting and indemnifying the City and the Lender, in an amount not less than $1,000,000 for bodily injury (including death) in any one occurrence (with a deductible of not more than $_____), and not less than $500,000 for property damage in any one occurrence (subject to reasonable loss deductible clauses not to exceed $_____). The policies of such insurance shall contain a provision that such insurance may not be cancelled by the issuer thereof without at least 15 days' advance written notice to the City, the Corporation and the Lender. Such policies or copies or certificates thereof shall be furnished to the City and to the Lender. In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this **Section 6.08(c)** shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

(d) ***Workers' Compensation Insurance***. The Corporation agrees throughout the Lease Term to maintain or cause to be maintained, in connection with the Project, the Workers' Compensation coverage required by the laws of the State.

(e) ***Blanket Insurance Policies***. The Corporation may satisfy any of the insurance requirements set forth in this **Section 6.08** by using blanket policies of insurance, provided that the Corporation complies with each and all of the requirements and specifications of this **Section 6.08** respecting insurance. Upon the written request of the Corporation, and without the consent of the City, the Lender may permit modifications to the insurance coverage, in whole or in part, for any such coverage, taking into account the cost and availability of insurance and the effect of the terms and rates of such insurance upon the Corporation's costs and charges for its services. The permission of the Lender to make such modifications shall not be unreasonably withheld or delayed.

Section 6.09. Financial Statements and Other Information. The Corporation shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Corporation in accordance with generally accepted accounting principles. The Corporation shall furnish to the Lender the following:

(a) ***Annual Financial Statements***. As soon as practicable after they are available but in no event more than 120 days after the last day of each fiscal year, the audit report and audited financial statements of the Corporation for such fiscal year certified by the Corporation's independent certified public accountants, covering the operations of the Corporation for such fiscal year and containing a statement of financial position as of the end of such fiscal year, a statement of operations and changes in net assets, and a statement of cash flows for such fiscal year, showing in each case in comparative form the financial figures for the preceding fiscal year.

(b) ***Auditor's Compliance Certificate***. At the time of delivery of the audit report referred to in subsection (a) above, a separate written certificate of the accountants preparing such report stating that such accountants have, during the course of the audit, obtained no knowledge of any default by the Corporation in the fulfillment of any of the covenants, provisions or conditions of this Agreement, or if such accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.

(c) ***Quarterly Financial Statements.*** Within thirty (30) days after the end of each calendar quarter, a copy of a management-prepared financial statement prepared on a basis and in conformity with generally accepted accounting principles consistently applied.

The Corporation shall at any and all reasonable times, upon the written request of the Authority or the Lender and at the expense of the Corporation, permit the Authority or the Lender by their representatives to enter and inspect the properties, books of account, records, reports and other papers of the Corporation, except donor records, patient records, personnel records and any other confidential records, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Corporation shall furnish to the Authority or the Lender any and all information concerning the Corporation as the Authority or the Lender may reasonably request, at the expense of the requesting party, including statistical and other operating information requested on a periodic basis, in order to enable the requesting party to make any reports required by law, governmental regulations in connection with the Note and to determine whether the covenants, terms and provisions of this Agreement have been complied with by the Corporation.

Section 6.10. Tax Covenants. The Corporation covenants and agrees that it will not take any action or permit any action to be taken that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Note and will take whatever action, or refrain from whatever action, necessary to comply with the requirements of the Internal Revenue Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Note. The Corporation covenants that it shall comply with the Tax Compliance Agreement and shall pay or provide for payment to the United States Government, all rebate payments required under Section 148(f) of the Internal Revenue Code and the Tax Compliance Agreement. This covenant shall survive payment in full or defeasance of the Note.

Section 6.11. Assignment by the Corporation. The Corporation shall not assign this Agreement, as a whole or in part, without the prior written consent of the City and the Lender unless such assignment is pursuant to a merger, consolidation or transfer of the Corporation's property substantially as an entirety permitted under this Agreement, or unless the following conditions are met:

(a) No assignment shall relieve the Corporation from primary liability for any of its obligations under this Agreement, and in the event of any such assignment, the Corporation shall continue to remain primarily liable for payment of the amounts specified in this Agreement and the performance and observance of the other agreements to be performed and observed by the Corporation under this Agreement to the same extent as though no assignment had been made.

(b) The assignee shall assume the obligations of the Corporation under this Agreement to the extent of the interest assigned.

(c) The Lender and the City shall have received an opinion of bond counsel, in form and substance satisfactory to the Lender and the City, to the effect that under then existing law the consummation of such assignment would not adversely affect the exclusion of the interest payable on the Note from gross income under the Internal Revenue Code.

(d) The Corporation shall give prior written notice of such assignment to the City and the Lender, and, within 30 days after the delivery thereof, shall furnish or cause to be furnished to the City and the Lender a true and complete copy of each assignment and assumption of obligations and an opinion of counsel that such assignment is permitted by and in compliance with the provisions of this Agreement.

Section 6.12. Covenants under Other Lease Documents. During the term of this Agreement, the Corporation covenants and agrees that it shall perform or cause to be performed all covenants and agreements required on the part of the Corporation under any other Lease Documents, and shall deliver to the Lender all reports, opinions and other documents required by all other Lease Documents to be submitted to the Lender at the times required by all other Lease Documents.

Section 6.13. Performance by Lender. If the Corporation at any time fails to perform or observe any of the covenants or agreements contained in the Lease Documents, and if the failure continues for thirty (30) days after the Lender gives the Corporation written notice thereof, the Lender may, but need not, perform or observe such covenant or agreement on behalf and in the name, place and stead of the Corporation (or, at the Lender's option, in the Lender's name) and may, but need not, take any and all other actions that the Lender may reasonably deem necessary to cure or correct the failure (including the payment of taxes, the satisfaction of security interests, Liens, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, deed of trusts and financing statements, and the endorsement of instruments); and the Corporation shall thereupon pay to the Lender on demand the amount of all money expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of those covenants or agreements or the taking of the action by the Lender, together with interest thereon from the date expended or incurred at the lesser of 18% per annum or the highest rate permitted by law. To facilitate the performance or observance by the Lender of the covenants or agreements of the Corporation, the Corporation hereby irrevocably appoints the Lender, or the delegate of the Lender, acting alone, as the attorney in fact of the Corporation with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Corporation any and all instruments, documents, assignments, deed of trusts, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by the Corporation under the Lease Documents.

Section 6.14. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lender, its assignees, if any, or the City be liable for any special, consequential, incidental, punitive or penal damages including loss of profit or revenue, loss of use of the Project or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power or down time costs.

Section 6.15. Bank Accounts. The Corporation shall maintain its default accounts with the Lender.

Section 6.16. Setoff by Lender. The Corporation hereby agrees that upon the occurrence of an Event of Default the Lender may set off against all amounts that may be owing from time to time by the Corporation to the Lender in any capacity, including, but without limitation, any balances, credits, deposits, accounts, monies, or any other property of the Corporation, now or hereafter in the possession of the Lender.

ARTICLE VII
NEGATIVE COVENANTS OF LESSEE

Section 7.01. Liens. The Corporation will not, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to its properties other than the Permitted Encumbrances. The Corporation will promptly, at its own expense, take any commercially reasonable action that may be necessary to discharge or remove any Lien not permitted by this **Section 7.01**. The Corporation will reimburse the Lender for any reasonable expenses incurred by the Lender to discharge or remove any Lien.

Section 7.02. Sale of Assets. The Corporation shall not in any fiscal year, sell, lease or otherwise transfer or dispose of its property in an amount which aggregates in excess of 10% of the total value of the property of the Corporation (calculated on the basis of the book value or, if the Corporation so elects, on the basis of current value as stated in the most recent audited financial statements of the Corporation), except for transfers of property as follows, subject, however, to the provisions of the Deed of Trust as applicable:

(a) The Corporation may transfer property to any entity or person in the ordinary course of business.

(b) The Corporation may transfer property to any entity or person for fair and adequate consideration on terms no less favorable to the Corporation than would be obtained in a comparable arm's-length transaction.

(c) The Corporation may transfer property to any entity or person, if in the reasonable judgment of the Corporation, such property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the Corporation's primary business.

(d) The Corporation may transfer property to any entity or person, if such property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on Indebtedness of the Corporation.

(e) The Corporation may transfer property to any entity or person if the property to be transferred is not essential to the Corporation's primary business operation, and the proceeds of such transfer are used to acquire additional facilities, to repay the principal of Indebtedness of the Corporation, or otherwise used in a productive manner to the benefit of the Corporation's operations.

(f) The Corporation may transfer property as part of a consolidation, merger, conveyance or transfer permitted by **Section 7.03** of this Agreement.

(g) The Corporation may transfer property as a loan to any entity or person provided that such loan is evidenced in writing, such loan bears interest at a reasonable interest rate, and the Lender receives a certificate stating that there is a reasonable expectation that such loan will be repaid in accordance with its terms and that such would not result in a reduction of the level of unrestricted cash and liquid investments of the Corporation below 30 day's operating expenses.

Any such transferred property that is subject to the lien or security interest of the Deed of Trust shall remain subject to such lien or security interest unless released pursuant to the provisions of the Deed of Trust. The provisions of this Section need not be met if the transfer is otherwise permitted by the Deed of Trust or this Agreement.

Section 7.03. Consolidation, Merger, Conveyance or Transfer of Property. The Corporation shall not consolidate with or merge into any other entity or convey or transfer its property substantially as an entirety to any entity.

Section 7.04. Accounting. The Corporation will not adopt, permit or consent to any material change in accounting principles other than as required by generally accepted accounting principles. The Corporation will not adopt, permit or consent to any change in its fiscal year.

Section 7.05. Transfers. The Corporation will not in any manner transfer any property without prior or present receipt of full and adequate consideration.

Section 7.06. Other Defaults. The Corporation will not permit any breach, default or event of default to occur under any bond, note, loan agreement, indenture, lease, mortgage, contract for deed, deed of trust or other contractual obligation binding upon the Corporation or any judgment, decree, order or determination applicable to the Corporation.

ARTICLE VIII
DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.01. Damage, Destruction and Condemnation; Use of Net Proceeds. The Corporation will provide a complete written report to the Lender immediately upon any loss, theft, damage, destruction or taking under condemnation or under the threat of condemnation of the Project or any portion thereof (the **"Damaged Project Portion"**) to the extent that any of the foregoing is valued more than $50,000 per event. If all or any portion of the Project is so lost, stolen, destroyed, damaged or taken, the Corporation will as soon as practicable either (a) repair, restore, reconstruct, replace or improve the Facilities at the Corporation's sole cost and expense to the same or an improved condition and value and to accomplish at least the same function as existed immediately before the loss, theft, damage, destruction or taking or (b) pay the applicable Prepayment Amount for the Loan. If, within forty-five (45) days of the loss occurrence, (1) the Corporation fails to notify the Lender; (2) the Corporation and the Lender fail to execute an amendment to this Agreement to delete the Damaged Project Portion and add the replacement property to the description of the Project or (3) the Corporation fails to pay the Prepayment Amount (if any), then the Lender may, at its sole discretion, declare the Prepayment Amount to be immediately due and payable, and the Corporation is required to pay the same. Provided that no Event of Default has occurred that remains uncured, the Net Proceeds of insurance or any taking shall be made available by the Lender to be applied to discharge the Corporation's obligation under this **Article VIII**, and after so applied any excess shall be paid directly to the Corporation. If the Corporation elects to repair, restore, reconstruct, replace or improve the Project and if the Corporation or the Lender so requests by a notice in writing to the other parties to this Agreement, the Net Proceeds shall be deposited with the Lender in escrow pending disbursement for that purpose. If the Net Proceeds are insufficient to discharge

the Corporation's obligations under this **Article VIII**, the Corporation shall use its own funds to discharge its obligations under this Article. For purposes of this **Article VIII**, the term **"Net Proceeds"** shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such proceeds.

ARTICLE IX
ASSIGNMENT, LEASING AND SELLING

Section 9.01. Registration of Note; Transfer and Assignment by Lender.

(a) The City shall act as bond registrar for the registration and transfer of the Note, and as such shall keep the bond register to evidence the registration, transfer and exchange of the Note at its principal office. The bond register may be kept in any form that maintains a record of the registered owner of the Note and the registered owner's address, including copies of the Note, assignments thereof or notices of assignments thereof.

(b) The Note may be transferred, but only upon the bond register and only if (1) the Lender has submitted to the City the Note accompanied by an assignment in substantially the form attached to the Note, duly executed by the Lender or the Lender's attorney or legal representative; (2) the Lender has submitted a written notice to the City, with a copy to the Corporation, to transfer the Note and the assignment shall disclose the name, address and tax identification number of the assignee; and (3) the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission and the Lender has obtained and provided to the City, prior to such transfer and assignment, an investor's letter in the form of **Exhibit E**. Upon any transfer meeting the requirements of this **Section 9.01**, the City shall execute and deliver in exchange for the Note a new Note, registered in the name of the transferee, of the same series and outstanding principal amount, maturing in the same amounts and at the same times and bearing interest at the same rate.

Section 9.02. No Sale, Lease or Assignment by Corporation. Neither this Agreement nor the Project or any part thereof may be sold, leased, assigned or encumbered by the Corporation without the prior written consent of the Lender and the City and an opinion of Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the City, the Lender and the Corporation that is obtained and provided to the City and the Lender in a form acceptable to the City and the Lender to the effect that the exclusion of the interest on the Note from gross income for federal income tax purposes will not be affected by such action.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default. The following constitute Events of Default under this Agreement:

(a) failure by the Corporation to pay to the Lender, as assignee of the City, any Lease Payment when due;

(b) failure by the Corporation to maintain insurance on the Project in accordance with **Section 6.08**, or failure by the Corporation to provide the annual financial statements and officers certificates as required by **Section 6.09**;

(c) failure by the Corporation or the City to observe and perform any other covenant, condition or agreement contained in any Lease Document on its part to be observed or performed for a period of thirty (30) days after written notice is given to the Corporation or the City, as the case may be, specifying such failure and requesting that it be remedied; provided that, if the failure stated in such notice cannot be corrected within such thirty (30) day period, the Lender will not unreasonably withhold its consent to an extension of such time, not to exceed a period of sixty (60) days, if corrective action is instituted by the Corporation or the City, as the case may be, within the applicable period and diligently pursued until the default is corrected;

(d) initiation by the City of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the City;

(e) the Corporation shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or the Corporation shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Corporation; or the Corporation shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against the Corporation; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Corporation;

(f) determination by the Lender that any representation or warranty made by the Corporation or the City in any Lease Document was untrue in any material respect when made; or

(g) default in the payment of the principal of, premium, if any, or interest on any Indebtedness when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided, however, that such default shall not constitute an event of default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 30 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Corporation in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness.

Section 10.02. Remedies on Default. Whenever any Event of Default has occurred and is continuing, the Lender, as assignee of the City, shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps:

(a) by notice to the City and the Corporation, declare the entire unpaid principal amounts of the Note then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Agreement to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Corporation and the City;

(b) exercise any remedy available under any other Lease Document;

(c) proceed by appropriate court action to enforce specific performance by the City or the Corporation of the applicable covenants of this Agreement or to recover for the breach thereof, including

the payment of all amounts due from the Corporation. The Corporation shall pay or repay to the Lender or the City all costs of such action or court action, including reasonable attorneys' fees; and

(d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights with respect to the Project or under the Lease Documents. The Corporation shall pay or repay to the Lender or the City all costs of that action, including reasonable attorneys' fees and expenses.

All proceeds from the exercise of remedies shall be applied in the following manner:

FIRST, to pay all reasonable costs and expenses associated with the exercise of any remedies, including reasonable attorneys' fees and expenses;

SECOND, to pay (1) the Lender the amount of all unpaid Lease Payments, if any, that are then due and owing, together with interest and late charges thereon, (2) the Lender the then applicable Prepayment Amount (taking into account the payment of past due Lease Payments as aforesaid), and (3) any other amounts due hereunder, including indemnity payments, taxes, charges, reimbursement of any advances and other amounts payable to Lender or City hereunder; and

THIRD, to pay the remainder of the proceeds to the Corporation.

Notwithstanding any other remedy exercised hereunder, the Corporation shall remain obligated to pay to the Lender any unpaid portion of the Prepayment Amount.

Section 10.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender or the City is intended to be exclusive and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver thereof, but any right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender or the City to exercise any remedy reserved to it in this **Article IX**, it shall not be necessary to give any notice other than any notice required by this **Article IX**. All remedies herein conferred upon or reserved to the Lender or the City shall survive the termination of this Agreement.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Disclaimer of Warranties. THE LENDER AND THE LESSOR MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT, OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. IN NO EVENT SHALL THE LENDER OR THE LESSOR BE LIABLE FOR ANY LOSS OR DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, THE PROJECT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE LESSEE'S USE OF ANY ITEM OR PRODUCTS OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

Section 11.02. Tax Agreement. The City and the Corporation will each comply fully at all times with the Tax Agreement, and neither the City nor the Corporation will take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Tax Agreement.

Section 11.03. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under the Tax Agreement shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by facsimile, in each case addressed to the party to whom notice is being given at its address as set forth below and, if transmitted by facsimile, transmitted to that party at its facsimile number set forth below or, as to each party, at any other address or facsimile number hereafter designated by that party in a written notice to the other parties complying as to delivery with this **Section 11.03**:

Corporation: Nebraska School Activities Association
500 Charleston Street
P.O. Box 85448
Lincoln, Nebraska 68501
Attn: Executive Director
Telephone: (402) 489-0386
Facsimile: (402) _____

City: The City of Lincoln, Nebraska
555 South 10th Street
Lincoln, Nebraska 68508
Attn: Finance Director
Telephone: (402) 441-7412
Facsimile: (402) 441-8325

Lender: U.S. Bank National Association
233 South 13th Street
Lincoln, Nebraska 68508
Attn: Patrick Spethman
Telephone: (402) 434-1012
Facsimile: (402) 434-1110

With a copy to:

David K Lucas
Sherman & Howard, L.L.P.
633 Seventeenth Street, Suite 3000
Denver, Colorado 80202
Telephone: (303) 299-8134
Facsimile: (303) 298-0941

All such notices, requests, demands and other communications shall be deemed to have been given on (1) the date received if personally delivered, (2) when deposited in the mail if delivered by mail, (3) the date sent if sent by overnight courier, or (4) the date of transmission if delivered by facsimile.

Section 11.04. Further Assurance and Corrective Instruments. The City and the Corporation will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any further acts, instruments, conveyances, transfers and assurances that the Lender reasonably deems necessary or advisable for the implementation, correction, confirmation, recording, filing or perfection of the Lease Documents and any rights of the Lender under the Lease Documents. The Lender shall pay all reasonable expenses of the City and the Corporation, including

reasonable attorneys' fees and expenses, in connection with any implementation, correction, confirmation or perfection of the Lease Documents.

Section 11.05. Binding Effect; Time of the Essence. This Agreement shall inure to the benefit of and shall be binding upon the Lender, the City, the Corporation and their respective successors and assigns. Time is of the essence.

Section 11.06. Severability. In the event any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, that holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.07. Amendments. To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then any waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 11.08. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any counterpart.

Section 11.09. Term of Lease Agreement. This Agreement shall be effective as of the date shown on the cover page and shall continue in force and effect until the principal of, premium, if any, and interest on the Note are fully paid (or provision for the payment shall have been made in accordance with **Section 3.07**) together with all sums payable by the Corporation under the Lease Documents.

Section 11.10. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.11. Entire Agreement. This Agreement and the exhibits hereto constitute the entire agreement among the Lender, the City and the Corporation.

Section 11.12. Nonwaiver; Cumulative Remedies. No failure to exercise, and no delay in exercising, on the part of the City or the Lender of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the City and the Lender herein provided are cumulative and not exclusive of any rights or remedies provided by law.

Section 11.13. Successors. This Agreement shall, upon execution and delivery by the Corporation, become effective and shall be binding upon and inure to the benefit of the Corporation, the City and the Lender, and their respective successors and assigns, except as provided in **Section 6.12**.

Section 11.14. Submission to Jurisdiction; Venue. To induce the City to lease the Project, as evidenced by this Agreement, the Corporation irrevocably agrees that, subject to the City's and Lender's sole and absolute election, all suits, actions or other proceedings in any way, manner or respect, arising out of or from or related to this Agreement or any document executed in connection herewith, shall be subject to litigation in courts having situs within Nebraska. The Corporation hereby consents and submits to the jurisdiction of any local, state or federal court located within Nebraska. The Corporation hereby waives any right it may have to transfer or change the venue of any suit, action or other proceeding brought against the Corporation by the City or the Lender in accordance with this section.

Section 11.15. Waiver of Jury Trial. THE CITY, THE CORPORATION AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE LEASE DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE CITY, THE CORPORATION AND THE LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective names by their duly authorized officers, all as of the date first written above.

Lender: **U.S. BANK NATIONAL ASSOCIATION**

By: _____

Title: _____

City: **THE CITY OF LINCOLN, NEBRASKA**

By: _____
Title: _____

Corporation: **NEBRASKA SCHOOL ACTIVITIES ASSOCIATION**

By: _____

Title: _____

EXHIBIT A

PROJECT SITE

All of the following described real estate situated in the City of Lancaster, State of Nebraska:

Lot 1, Block 1, Lincoln Ballpark Addition, Lincoln, Lancaster County, Nebraska

EXHIBIT B

PROJECT IMPROVEMENTS

The office building, associated open spaces, parking lots and other related amenities and improvements financed with the proceeds of the 2007 Bond and used for the Corporation's operations and activities related to athletics, music, speech, drama and recreational activities, together with facilities for the Nebraska Coaches Associate and the Nebraska High School Sports Hall of Fame Foundation.

EXHIBIT C

PROJECT EQUIPMENT

All personal property, tools, equipment and trade fixtures used by the Corporation

EXHIBIT D

FORM OF NOTE

THIS NOTE MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 9.01 OF THE AGREEMENT (AS DEFINED IN THE NOTE).

No. R-1 **$[Principal Amount]**

THE CITY OF LINCOLN, NEBRASKA
INDUSTRIAL DEVELOPMENT PROMISSORY REVENUE NOTE
(NEBRASKA SCHOOL ACTIVITIES ASSOCIATION PROJECT)
SERIES 2010

Interest Rate	Final Maturity Date	Issue Date
____%	**_____, 20___**	**[Closing Date], 2010**

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION

PRINCIPAL AMOUNT:

THE CITY OF LINCOLN, NEBRASKA (the **"City"**), a city of the primary class and political subdivision duly organized and validly existing under the laws of the State of Nebraska, for value received, hereby promises to pay to the Registered Owner named above or registered assigns, but only from the sources hereinafter described, the Principal Amount shown above on the dates and in the amounts hereinafter provided, unless and except as paid prior thereto, together with interest thereon on the principal balance hereof from time to time remaining unpaid, from the date hereof to the date of final maturity or earlier payment of this Note at the Interest Rate per annum specified above, such interest being payable on the dates set forth in **Exhibit 1** hereto until this Note is fully paid. Interest shall be computed on the basis of a 360-day year and actual days elapsed.

The principal amount of this Note shall be paid on the dates and in the amounts as set forth in **Exhibit 1** hereto, subject to credit upon such installments, all in accordance with the Agreement (hereinafter defined) and the terms and conditions therein provided.

This Note is a duly authorized note of the City, designated as "The City of Lincoln, Nebraska Industrial Development Promissory Revenue Note (Nebraska School Activities Association Project), Series 2010**"** executed and delivered under and pursuant to a Lease Agreement, dated [Closing Date], 2010 (the **"Agreement"**), among the City, Nebraska School Activities Association, a nonprofit corporation duly organized and validly existing under the laws of the State of Nebraska, as Corporation (the **"Corporation"**), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, and its successors and assignees (the **"Lender"**). The Note is issued by the City to provide for the payment and redemption of the 2007 Bond (as defined in the Agreement) issued for the purpose of paying the costs of acquiring, constructing, equipping and furnishing certain real and personal property (collectively, the **"Project"**) which has been leased by the City to the Corporation pursuant to the Agreement.

The Corporation has agreed to make Lease Payments (as defined in the Agreement) in amounts and at times fully sufficient to enable the City to pay the principal of, premium, if any, and interest on this

Note as the same become due. The City has pledged and assigned the Lease Payments to the Lender to secure the payment of the principal or redemption price and interest on this Note.

This Note is secured by (a) an assignment of the Agreement by the City to the Registered Owner hereof, and (b) a Deed of Trust, Security Agreement and Assignment of Rents, dated [Closing Date], 2010 (the **"Deed of Trust"**), under which the City and the Corporation are granting a mortgage lien on, and security interest in, certain real and personal property of the Corporation, more particularly described in the Deed of Trust.

This Note is subject to prepayment under the circumstances described in **Section 3.07** of the Agreement.

THIS BOND IS A LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM AMOUNTS PAYABLE BY THE CORPORATION PURSUANT TO THE AGREEMENT. THE NOTE IS NOT A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE CITY, EXCEPT TO THE EXTENT OF THE SPECIFIED PLEDGE AND ASSIGNMENT. NEITHER THE CITY NOR THE STATE OF NEBRASKA OR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE, EXCEPT FROM THE LEASE PAYMENTS MADE BY THE CORPORATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF NEBRASKA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE, NOR IS THE CITY, THE STATE OF NEBRASKA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR PAYMENT.

This Note is a fully registered Note issued without option of conversion into a bond or bonds of any other form of denomination except upon transfer as stated below. This Note may be transferred only in the manner and on the terms and conditions and subject to the restrictions stated in **Section 9.01** of the Agreement.

No recourse shall be had for the payment of the principal or redemption price of or interest on this Note, or for any claim based hereon or on the Agreement against any member, officer, employee or agent, past, present or future, of the City or of any successor body as such, either, directly or through the City under any constitutional provision, statute or rule of law, or by the enforcement of any assessment, or by any legal or equitable proceeding or otherwise. Neither the officers, employees or agents of the City nor any person executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

It is hereby certified that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by the constitution and laws of the State of Nebraska.

IN WITNESS WHEREOF, The City of Lincoln, Nebraska has caused this Note to be executed in its name and on its behalf by the manual signature of its Mayor, or other officer of the City, and attested by the manual signature of its Clerk, all as of the Issue Date set forth above.

THE CITY OF LINCOLN, NEBRASKA

[SEAL]

ATTEST:

By: _____
Title: Mayor

By: _____
Title: Clerk

EXHIBIT 1 TO BOND
SCHEDULE OF BOND AND LEASE PAYMENTS

Interest Rate: _____% Per Annum

Payment Number	Payment Date	Total Payment	Principal	Interest	Prepayment Amount*

[FORM OF ASSIGNMENT]

THIS BOND MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 9.01 OF THE AGREEMENT (AS DEFINED IN THE BOND).

For value received, the undersigned hereby sells, assigns and transfers unto

_____

(please print or type name, address and tax identification number of transferee)

the within Note and all rights thereunder, and does hereby irrevocably constitute and appoint

_____

attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Signed: _____

In the presence of: _____.

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the Note.

Signature Guaranteed:

_____

EXHIBIT E

FORM OF INVESTOR'S LETTER OF REPRESENTATION

[Closing Date], 2010

The City of Lincoln, Nebraska
555 South 10th Street
Lincoln, Nebraska 68508

Nebraska School Activities Association
500 Charleston
Lincoln, Nebraska 68501

Re: Lease Agreement dated [Closing Date], 2010, among U.S. Bank National Association (the **"Lender"**), The City of Lincoln, Nebraska (the **"City"**) and Nebraska School Activities Association (the **"Corporation"**)

Ladies and Gentlemen:

The undersigned, as the purchaser of a note issued in the aggregate principal amount of $[Principal Amount] (the **"Note"**) pursuant to and in compliance with the terms set forth in the Lease Agreement described above (the **"Agreement"**), hereby represents to you as follows:

1. Capitalized terms used herein and not otherwise defined are used with the meanings given such terms in the Agreement.

2. We have duly authorized, by all necessary action, the purchase of the Note and the right to receive the payments of the principal of, premium, if any, and interest on the Note pursuant to the terms and provisions of the Agreement (the **"City Payments"**).

3. We are a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Note, the City Payments, the Lease Payments and the Agreement. We are able to bear the economic risks of that investment.

4. We understand that the obligations of the City to make the City Payments under the Agreement and the Note are special, limited obligations payable solely from amounts paid to the City from the Corporation pursuant to the terms of the Agreement, and that notwithstanding anything to the contrary contained in the Agreement, the City is not obligated to make the City Payments, or pay any portion of the cost of refunding the 2007 Bond (including costs of issuing the Note) or make any other payment or advance any money or be liable for any other costs or expenses in connection with the

Project, the Note, the City Payments, the Lease Payments or the Agreement, except from proceeds of the Note and the amounts paid to the City from the Corporation pursuant to the Agreement, and no such payment shall constitute a charge against the general credit of the City. We further understand that the City is not directly, indirectly, contingently or morally obligated to use any other money or assets of the City to pay the City Payments or any amount required to refund the 2007 Bond (including costs of issuing the Note) or for all or any portion of those other costs or expenses.

5. We acknowledge that we have either been supplied with or have been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Corporation, the Note, the City Payments, the Lease Payments, the Agreement and the security therefor, so that as a reasonable investor we have been able to make our decision to purchase the Note on the terms as set forth in the Agreement. We acknowledge that we have not relied upon the City for any information in connection with our purchase of the Note under the terms of the Agreement, except as set forth in **Section 4.01** of the Agreement.

6. We have made our own inquiry and analysis with respect to the Agreement, the Note, the City Payments, the Lease Payments and the security therefor, and other material factors affecting the security and payment of such payments set forth in the Agreement. We are aware that the business of the Corporation involves certain economic variables and risks that could adversely affect the security for the payments to be made by the City to us under the terms of the Agreement and the Note. We have examined drafts in substantially final form of the basic legal documents relating to the Note and the Agreement, including the proposed legal opinions to be delivered by the Corporation's counsel and Gilmore & Bell, P.C., as bond counsel.

7. We understand that the Note (including the right to receive the City Payments and Lease Payments under the terms of the Agreement) (a) is not being registered or otherwise qualified for sale under the **"Blue Sky"** laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable.

8. We understand that the Note (including the right to the City Payments and the Lease Payments under the terms of the Agreement) has not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required as of the date hereof. We represent to you that we are purchasing the Note for investment for our own account and not with a present view toward resale or the distribution thereof, in that we do not now intend to resell or otherwise dispose of the Note or any part of our interest in the Note. We agree not to sell, transfer or otherwise dispose of the Note or all or any part of our interest in the Note or the Agreement unless the transferee executes a letter of representation in substantially the form of this letter and such sale, transfer or other disposition is in compliance with applicable securities laws.

9. We agree to indemnify and hold harmless the City with respect to any claim asserted against the City that is based upon our sale, transfer or other disposition of the Note or all or any part of our interests in the Note or the Agreement in violation of the provisions hereof or of the Agreement, other than any claim that is based upon the gross negligence or willful misconduct of the City.

10. We have executed and delivered this letter in connection with issuance of the Note and the execution and delivery of the Agreement as an inducement to the City to cause the issuance of the Note and the execution and delivery of the Agreement to us.

Only the addressees hereof may rely upon this letter.

U.S. BANK NATIONAL ASSOCIATION

By: _____
Vice President